

INTEGRATED ELECTRICAL SERVICES INC

Form S-4/A

July 30, 2013

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As filed with the Securities and Exchange Commission on July 30, 2013

Registration No. 333-188182

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

AMENDMENT NO. 3

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Integrated Electrical Services, Inc.

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)	1731 (Primary Standard Industrial Classification Code Number) 5433 Westheimer Road, Suite 500 Houston, Texas 77056 (713) 860-1500	76-0542208 (I.R.S. Employer Identification Number)
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(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Gail Makode

Senior Vice President, General Counsel and Secretary

5433 Westheimer Road, Suite 500

Houston, Texas 77056

(713) 860-1500

(Name, address, including zip code, and telephone number, including area code of agent for service)

Copies to:

G. Michael O Leary George Vlahakos Andrews Kurth LLP 600 Travis, Suite 4200 Houston, Texas 77002 (713) 220-4200	Michael P. Moore MISCOR Group, Ltd. Chief Executive Officer and President 800 Nave Road, SE Massillon, Ohio 44646 (330) 830-3500	Molly Z. Brown Sean T. Peppard Ulmer & Berne LLP 1660 West 2nd Street, Suite 1100 Cleveland, Ohio 44113 (216) 583-7240
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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions to closing of the proposed merger described herein.

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. Integrated Electrical Services, Inc. may not distribute or issue the shares of Integrated Electrical Services Inc. common stock being registered pursuant to this registration statement until the registration statement filed with the Securities and Exchange Commission, of which this joint proxy statement/prospectus is a part, is effective. This joint proxy statement/prospectus is not an offer to distribute these securities and Integrated Electrical Services, Inc. is not soliciting offers to receive these securities in any state where such offer or distribution is not permitted.

SUBJECT TO COMPLETION, DATED JULY 30, 2013

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

To the Stockholders of Integrated Electrical Services, Inc. and the Shareholders of MISCOR Group, Ltd.:

On March 13, 2013, Integrated Electrical Services, Inc. (IES) and MISCOR Group, Ltd. (MISCOR) entered into an Agreement and Plan of Merger, as amended by the First Amendment to Agreement and Plan of Merger, dated as of July 10, 2013 (the merger agreement), providing for the acquisition of MISCOR by IES. Pursuant to the merger agreement, IES and MISCOR agreed that, subject to the satisfaction of certain closing conditions (including the approval by each company's stockholders), MISCOR will merge with and into IES Subsidiary Holdings, Inc., a wholly-owned subsidiary of IES (Merger Sub), with Merger Sub surviving the merger as the surviving corporation, a direct, wholly-owned subsidiary of IES.

The merger agreement provides that at the effective time of the merger, each outstanding share of MISCOR common stock (other than shares held by MISCOR shareholders who do not vote in favor of the adoption of the merger agreement and who are entitled to and properly demand appraisal rights in accordance with Indiana law and shares to be canceled pursuant to the terms of the merger agreement) will be converted into the right to receive merger consideration comprised of, at the election of the holder, either: (1) a per share dollar amount (the Cash Consideration), which amount shall not be less than \$1.415 (the Minimum Cash Consideration), equal to the quotient obtained by dividing (x) the difference between \$24.0 million and the amount of MISCOR's Net Debt (as defined in the merger agreement) and (y) the number of shares of MISCOR common stock outstanding as of the fifteenth business day prior to the closing date, including shares issuable upon the exercise of outstanding options and warrants; or (2) a number of shares of IES common stock (the Stock Consideration) equal to a fraction (the Exchange Ratio), the numerator of which is the Cash Consideration and the denominator of which is the volume-weighted average of the sale prices per share of IES common stock (the VWAP) for the 60 consecutive trading days ending with the fifteenth business day prior to the closing date (the IES Common Stock Value); *provided, however*, that if the IES Common Stock Value is less than \$4.024 per share or greater than \$6.036 per share (the VWAP Collar), then the IES Common Stock Value will be \$4.024 per share or \$6.036 per share, respectively.

MISCOR shareholders have the right to elect to receive all Cash Consideration, all Stock Consideration or a mix of Cash Consideration and Stock Consideration; *provided, however*, that the aggregate Cash Consideration to be paid in connection with the merger shall not exceed a threshold, as described in the merger agreement (the Maximum Cash Amount), equal to the product obtained by multiplying (x) the Cash Consideration by (y) 50% of the number of MISCOR common shares outstanding immediately prior to the effective time of the merger. Based on the estimates and assumptions described in the joint proxy statement/prospectus, IES and MISCOR do not anticipate reaching the Maximum Cash Amount. As such, IES and MISCOR do not expect that any MISCOR shareholder electing to receive Cash Consideration will receive Stock Consideration in lieu of Cash Consideration.

The IES board of directors has determined that the merger is advisable and in the best interests of IES and its stockholders and recommends that the stockholders of IES approve the issuance of shares of IES common stock in the merger. No stockholder vote is required for Merger Sub to adopt the merger agreement and consummate the transactions contemplated thereby, other than the vote of IES acting as the sole stockholder of Merger Sub.

The MISCOR board of directors has determined that the merger and the merger agreement are in the best interests of MISCOR and its shareholders. The board of directors of MISCOR recommends that MISCOR shareholders approve the adoption of the merger agreement and the golden parachute compensation proposal.

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Your vote is very important. We cannot complete the transaction unless, among other things, the holders of IES common stock vote to approve the issuance of shares of IES common stock in the merger and the holders of

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MISCOR common stock vote to adopt the merger agreement. Each of IES and MISCOR will hold a special meeting of stockholders to vote on proposals related to the merger. The special meetings of stockholders will be held at the date, time and location set forth below. Regardless of whether you plan to attend your company's special meeting, please take the time to submit your proxy by completing and mailing the enclosed proxy card or, in the case of MISCOR, by using the telephone or Internet procedures provided to you. If your shares of IES common stock or MISCOR common stock are held in street name, you must instruct your broker how to vote those shares.

For IES stockholders:

September 12, 2013 at 9:00 a.m. Central Time at the IES corporate office located at 5433 Westheimer Road, Suite 500, Houston, Texas 77056.

For MISCOR shareholders:

September 12, 2013 at 10:00 a.m. Eastern Daylight Time at the MISCOR corporate office located at 800 Nave Road, SE, Massillon, Ohio 44646.

The IES board of directors recommends that IES stockholders vote FOR the issuance of shares of IES common stock in the merger.

Before casting your vote, please take the time to review carefully this joint proxy statement/prospectus, including the section entitled Risk Factors beginning on page 30 for a discussion of the risks relating to the merger.

The MISCOR board of directors recommends that MISCOR shareholders vote FOR the adoption of the merger agreement.

Shares of IES common stock trade on the NASDAQ Global Select Market under the symbol IESC. Shares of MISCOR common stock trade on the OTCQB under the symbol MIGL.

Sincerely,

James M. Lindstrom
Chairman of the Board of Directors, President

Michael P. Moore
Chief Executive Officer and President

and Chief Executive Officer
Integrated Electrical Services, Inc.

MISCOR Group, Ltd.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or has passed upon the adequacy or accuracy of the disclosure in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated August , 2013, and is first being mailed to IES stockholders and MISCOR shareholders on or about August , 2013.

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INTEGRATED ELECTRICAL SERVICES, INC.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To be held on September 12, 2013

Notice is hereby given that a special meeting of the stockholders of Integrated Electrical Services, Inc., a Delaware corporation (IES), will be held on September 12, 2013, at 9:00 a.m., Central Time, at the IES corporate office located at 5433 Westheimer Road, Suite 500, Houston, Texas 77056 (the IES Meeting) for the following purposes:

1. to approve the issuance of shares of IES common stock to the shareholders of MISCOR Group, Ltd. (MISCOR) in connection with the merger of MISCOR with and into IES Subsidiary Holdings, Inc., a wholly-owned subsidiary of IES (Merger Sub), with Merger Sub surviving the merger as the surviving corporation, a direct, wholly-owned subsidiary of IES, as set forth in the Agreement and Plan of Merger, dated as of March 13, 2013, by and among IES, MISCOR and Merger Sub, as amended by the First Amendment to Agreement and Plan of Merger, dated as of July 10, 2013, copies of which are attached as Annex A to the joint proxy statement/prospectus accompanying this notice;
2. to approve the adjournment or postponement of the IES Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposal; and
3. to transact any other business as may properly come before the IES Meeting or any adjournments or postponements thereof. Attached to this notice is a joint proxy statement/prospectus setting forth information with respect to these proposals and certain other information. Pursuant to the registration statement, of which the joint proxy statement/prospectus forms a part, IES is registering 2,943,767 shares of IES common stock together with the associated preferred stock purchase rights that may be issued to MISCOR shareholders in connection with the merger. If the Merger Consideration Determination Date (as defined below) had occurred on July 24, 2013, it is estimated that the Exchange Ratio would have been 0.311 and IES would have issued 2,745,158 shares of IES common stock to MISCOR shareholders, based on the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2 of the joint proxy statement/prospectus, which assumptions will not be definitively determined until the fifteenth business day prior to the closing date (the Merger Consideration Determination Date). The actual value of the consideration and the number of shares of IES common stock to be issued may differ from this example, given that these amounts will not be determined until the Merger Consideration Determination Date has passed and MISCOR shareholders have made their elections. Based on these assumptions, and assuming a volume-weighted average of the sales prices per share of IES common stock (the VWAP) for the 60 consecutive trading days ending with the Merger Consideration Determination Date of either \$4.024 or \$6.036 (the bottom and the top, respectively, of the VWAP Collar used to calculate the Exchange Ratio), it is estimated that the Exchange Ratio would have been 0.368 or 0.245, respectively, and IES would have issued 3,249,918 or 2,163,668 shares of IES common stock, respectively.

The IES board of directors has fixed the close of business on August 5, 2013 as the record date for the determination of stockholders entitled to notice of and to vote at the IES Meeting or any adjournment or postponement thereof. Only holders of record of IES common stock at the close of business on the record date are entitled to notice of and to vote at the IES Meeting.

The IES board of directors recommends that you vote **FOR** the issuance of shares of IES common stock in the merger and **FOR** the adjournment or postponement of the IES Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies. In considering the recommendation of the IES board of directors, you should be aware that certain directors of IES have personal interests that may motivate them to support the merger.

Your vote is important. Regardless of whether you plan to attend the IES Meeting, please sign, date and return the enclosed proxy card as promptly as possible in the envelope provided, using the procedures in the voting instructions provided to you. Your proxy may be revoked at any time prior to the time it is voted at the IES Meeting.

By Order of the Board of Directors

James M. Lindstrom
*Chairman of the Board of Directors, President and Chief
Executive Officer*

Houston, Texas

August , 2013

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MISCOR GROUP, LTD.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held On September 12, 2013

Notice is hereby given that a special meeting of the shareholders of MISCOR Group, Ltd., an Indiana corporation (MISCOR), will be held on September 12, 2013, at 10:00 a.m., Eastern Daylight Time, at the MISCOR corporate office located at 800 Nave Road, SE, Massillon, Ohio 44646 (the MISCOR Meeting) for the following purposes:

1. to adopt the Agreement and Plan of Merger, dated as of March 13, 2013, by and among Integrated Electrical Services, Inc. (IES), MISCOR and IES Subsidiary Holdings, Inc., a wholly-owned subsidiary of IES (Merger Sub), as amended by the First Amendment to Agreement and Plan of Merger, dated as of July 10, 2013 (the merger agreement), copies of which are attached as Annex A to the joint proxy statement/prospectus accompanying this notice, pursuant to which MISCOR will merge with and into Merger Sub, with Merger Sub surviving the merger as the surviving corporation, a direct, wholly-owned subsidiary of IES;
2. to approve on an advisory (non-binding) basis the golden parachute compensation that may be paid to MISCOR s executive officers in connection with the merger (which is referred to as the merger-related named executive officer compensation proposal);
3. to approve the adjournment or postponement of the MISCOR Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals; and
4. to transact any other business as may properly come before the MISCOR Meeting or any adjournments or postponements thereof. Attached to this notice is a joint proxy statement/prospectus setting forth information with respect to these proposals and certain other information. Pursuant to the merger agreement, each MISCOR shareholder will have the right to elect to receive all cash consideration, all stock consideration or a mix of cash and stock consideration, subject to an aggregate maximum cash amount equal to approximately 50% of the total consideration to be received by MISCOR shareholders in the merger, or \$8.7 million, based on certain estimates and assumptions described in the joint proxy statement/prospectus. While, based on the election indications received from MISCOR s significant shareholders, it is not anticipated that the aggregate cash consideration will exceed the maximum cash amount, if the aggregate cash consideration were to exceed the maximum cash amount, MISCOR shareholders electing to receive cash consideration would receive stock consideration, in lieu of cash consideration, for a portion of their shares, based on a pro rata selection process described in the joint proxy statement/prospectus.

The MISCOR board of directors has fixed the close of business on August 5, 2013 as the record date for the determination of shareholders entitled to notice of and to vote at the MISCOR Meeting or any adjournment or postponement thereof. Only holders of record of MISCOR common stock at the close of business on the record date are entitled to notice of and to vote at the MISCOR Meeting or any adjournment or postponement thereof.

The MISCOR board of directors recommends that you vote **FOR** the adoption of the merger agreement, **FOR** the approval of the merger-related named executive officer compensation proposal and **FOR** the adjournment or postponement of the MISCOR Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies. In considering the recommendation of the MISCOR board of directors, you should be aware that certain directors and executive officers of MISCOR have interests in the transactions contemplated by the merger agreement that may be different from, or in addition to, the interests of MISCOR shareholders generally.

Your vote is important. Regardless of whether you plan to attend the MISCOR Meeting, please sign, date and return the enclosed proxy card as promptly as possible in the envelope provided or submit your proxy by telephone or via the Internet, using the procedures in the voting instructions provided to you. Your proxy may be revoked at any time prior to the time it is voted at the MISCOR Meeting.

By Order of the Board of Directors

Michael P. Moore

President and Chief Executive Officer

Massillon, Ohio

August , 2013

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ADDITIONAL INFORMATION

IES and MISCOR are each required to make certain filings with the Securities and Exchange Commission (the SEC). You can obtain any of the documents filed by IES and MISCOR with the SEC without charge by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers.

Integrated Electrical Services, Inc.
5433 Westheimer Road, Suite 500
Houston, Texas 77056
Attention: Investor Relations
Telephone number: (713) 860-1500
<http://www.ies-corporate.com>

MISCOR Group, Ltd.
800 Nave Road, SE
Massillon, Ohio 44646
Attention: Investor Relations
Telephone number: (330) 830-3500
<http://www.miscor.com>

To receive timely delivery of the requested documents in advance of the applicable special meeting, you should make your request no later than August 28, 2013.

You can also obtain free copies of the documents filed by IES and MISCOR with the SEC at the SEC's web site at www.sec.gov. You may also read and copy any reports, statements or other information filed with the SEC at the SEC public reference room at 100 F Street N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) 732-0330 or visit the SEC's website for additional information on its public reference room.

Information contained on the IES and MISCOR websites and any other website is not incorporated by reference herein. All information in this joint proxy statement/prospectus concerning IES has been furnished by IES. All information in this joint proxy statement/prospectus concerning MISCOR has been furnished by MISCOR. IES has represented to MISCOR, and MISCOR has represented to IES, that the information furnished by and concerning it is true and complete in all material respects.

ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form S-4 filed with the SEC by IES (File No. 333-188182), constitutes a prospectus of IES under Section 5 of the Securities Act of 1933, as amended (the Securities Act), with respect to the shares of IES common stock to be issued to MISCOR shareholders in the merger pursuant to the merger agreement. This document also constitutes a notice of meeting and a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), (1) with respect to the IES Meeting, at which IES stockholders will be asked to consider and vote upon certain proposals, including a proposal to approve the issuance of shares of IES common stock in the merger and (2) with respect to the MISCOR Meeting, at which MISCOR shareholders will be asked to consider and vote upon certain proposals, including a proposal to adopt the merger agreement.

You should rely only on the information contained in this document. No one has been authorized to provide you with information that is different from that contained in this document.

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Annex B Opinion of Stifel, Nicolaus & Company, Incorporated

Annex C Opinion of Western Reserve Partners LLC

Annex D Chapter 44 of the Indiana Business Corporation Law

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

Important Information and Risks: *The following are brief answers to some questions that you may have regarding the IES Meeting and the MISCOR Meeting and the proposals being considered at the meetings. IES and MISCOR urge you to read and consider carefully the remainder of this joint proxy statement/prospectus, including the Risk Factors beginning on page 30 and the attached Annexes, because the information in this section does not provide all of the information that might be important to you.*

Your vote is very important. You are encouraged to submit a proxy as soon as possible.

Q: Why am I receiving this joint proxy statement/prospectus?

A: You are receiving this joint proxy statements/prospectus in connection with the proposed merger of MISCOR with and into Merger Sub, with Merger Sub surviving the merger as the surviving corporation, a direct, wholly-owned subsidiary of IES. The terms of the merger are governed by the Agreement and Plan of Merger, dated as of March 13, 2013, by and among IES, MISCOR and Merger Sub, as amended by the First Amendment to Agreement and Plan of Merger, dated as of July 10, 2013 (the merger agreement), copies of which are attached as Annex A to this joint proxy statement/prospectus.

As a condition to completion of the merger, the IES stockholders and MISCOR shareholders must approve certain proposals related to the merger. At the IES Meeting, IES stockholders will be asked to approve the issuance of shares of IES common stock in the merger. At the MISCOR Meeting, MISCOR shareholders will be asked to adopt the merger agreement and the merger-related named executive compensation proposal.

Q: When and where will the IES Meeting take place?

A: The IES Meeting will be held on September 12, 2013 at 9:00 a.m., Central Time, at the IES corporate office located at 5433 Westheimer Road, Suite 500, Houston, Texas 77056.

Q: When and where will the MISCOR Meeting take place?

A: The MISCOR Meeting will be held on September 12, 2013 at 10:00 a.m., Eastern Daylight Time, at the MISCOR corporate office located at 800 Nave Road, SE, Massillon, Ohio 44646.

Q: Who can attend and vote at the stockholders meetings?

A: **IES:** The record date for the IES Meeting is August 5, 2013. All IES stockholders of record as of the close of business on August 5, 2013 are entitled to receive notice of and to vote at the IES Meeting. As of July 30, 2013, the latest practicable date prior to the record date, there were 15,105,846 shares of IES common stock outstanding and entitled to vote at the IES Meeting.

MISCOR: The record date for the MISCOR Meeting is August 5, 2013. All MISCOR shareholders of record as of the close of business on August 5, 2013 are entitled to receive notice of and to vote at the MISCOR Meeting. As of July 30, 2013, the latest practicable date prior to the record date, there were 11,684,987 shares of MISCOR common stock outstanding and entitled to vote at the MISCOR Meeting.

Q: What proposals are to be considered and voted upon at the IES Meeting and the MISCOR Meeting?

A: IES: IES stockholders are being asked to consider and vote on:

- (1) the issuance of shares of IES common stock in the merger, and
- (2) a proposal to approve the adjournment or postponement of the IES Meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of IES common stock in the merger.

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These proposals are more fully described in the section **Proposals Being Submitted to a Vote at the IES Meeting**, beginning on page 246.

MISCOR: MISCOR shareholders are being asked to consider and vote on:

- (1) the adoption of the merger agreement,
- (2) a proposal to approve on an advisory (non-binding) basis the merger-related named executive officer compensation to be paid to MISCOR's executive officers in connection with the merger, and
- (3) a proposal to approve the adjournment or postponement of the MISCOR Meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt the merger agreement.

These proposals are more fully described in the section **Proposals Being Submitted to a Vote at the MISCOR Meeting**, beginning on page 247.

Q: How does the IES board of directors recommend that IES stockholders vote?

A: The IES board of directors recommends that IES stockholders vote FOR the issuance of shares of IES common stock in the merger. The IES board of directors also recommends that IES stockholders vote FOR the adjournment or postponement of the IES Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies. In considering the recommendation of the IES board of directors, you should be aware that certain directors of IES have personal interests that may motivate them to support the merger.

For a more complete description of the recommendations of the IES board of directors, see **Special Factors Recommendation of the IES Board of Directors and Its Reasons for the Merger**, beginning on page 67.

Q: How does the MISCOR board of directors recommend that MISCOR shareholders vote?

A: The MISCOR board of directors unanimously recommends that MISCOR shareholders vote FOR the proposal to adopt the merger agreement and FOR the approval of the merger-related named executive officer compensation proposal. The MISCOR board of directors also recommends that MISCOR shareholders vote FOR the adjournment or postponement of the MISCOR Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies. In considering the recommendation of the MISCOR board of directors, you should be aware that certain directors and executive officers of MISCOR have interests in the transactions contemplated by the merger agreement that may be different from, or in addition to, the interests of MISCOR shareholders generally.

For a more complete description of the recommendations of the MISCOR board of directors, see **Special Factors Recommendation of the MISCOR Board of Directors and Its Reasons for the Merger**, beginning on page 67.

Q: What are the votes required to approve each of the IES and MISCOR proposals related to the merger?

A: **IES:** Under the NASDAQ listing rules, the issuance of shares of IES common stock in the merger must be approved by the affirmative vote of the holders of a majority of the votes cast at a meeting at which a majority of the outstanding shares of IES common stock as of the

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record date are present in person or by proxy. This stockholder vote is required under the NASDAQ listing rules because Tontine directly or indirectly owns greater than a 5% interest in both IES and MISCOR and the issuance of shares of IES common stock in the merger could result in an increase in outstanding IES common stock immediately prior to the completion of the merger of 5% or more.

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If an IES stockholder attends but fails to vote on the issuance of shares of IES common stock in the merger, or if an IES stockholder abstains, the presence of the IES stockholder will be counted for purposes of a quorum, but will not constitute a vote cast. Abstentions and broker non-votes will not be counted either in favor of or against approval of the issuance of shares of IES common stock in the merger at the IES Meeting. Please see "What votes are required to satisfy the IES and MISCOR Minority Approval conditions to the completion of the merger?" below for a discussion of the vote required to satisfy the IES Minority Approval condition.

If the IES Meeting had been held on July 24, 2013, the directors, executive officers and affiliates of IES would have beneficially owned and been entitled to vote approximately 8,935,236 shares of IES common stock (including the 8,562,409 shares of IES common stock owned by Tontine), collectively representing approximately 59.2% of the shares of IES common stock that would have been outstanding and entitled to vote on that date.

MISCOR: Under the Indiana Business Corporation Law (the "IBCL"), adoption of the merger agreement must be approved by the affirmative vote of the holders of a majority of the outstanding MISCOR common stock entitled to vote as of the record date. Accordingly, if a MISCOR shareholder fails to vote at the MISCOR Meeting, fails to return a proxy or abstains, that will have the same effect as a vote against adoption of the merger agreement. Broker non-votes will also have the same effect as a vote against adoption of the merger agreement. Please see "What votes are required to satisfy the IES and MISCOR Minority Approval conditions to the completion of the merger?" below for a discussion of the vote required to satisfy the MISCOR Minority Approval condition.

If the MISCOR Meeting had been held on July 24, 2013, the directors, executive officers and affiliates of MISCOR would have beneficially owned and been entitled to vote approximately 8,665,132 shares of MISCOR common stock (including the 5,833,332 shares of MISCOR common stock owned by Tontine and assuming that all 67,000 outstanding options held by MISCOR's directors and executive officers were exercised prior to the record date for such MISCOR Meeting), collectively representing approximately 73.7% of the shares of MISCOR common stock that would have been outstanding and entitled to vote on that date.

Q: What votes are required to satisfy the IES and MISCOR Minority Approval conditions to the completion of the merger?

A: **IES:** Pursuant to the merger agreement, as a condition to the completion of the merger, the holders of fifty percent (50%) or more of all of the issued and outstanding shares of IES common stock entitled to vote (excluding shares held by certain affiliates of IES and MISCOR), shall not have voted against IES' proposal to issue shares of IES common stock in the merger. Accordingly, such holders must not affirmatively vote against the issuance of shares of IES common stock in the merger. Abstentions and broker non-votes will not be counted either in favor of or against the proposal to issue shares of IES common stock in the merger for the purpose of determining satisfaction of the IES Minority Approval.

The 8,562,409 shares of IES common stock held by affiliates of Tontine Capital Management, L.L.C., which represented approximately 56.7% of the shares of IES common stock issued and outstanding as of July 24, 2013, will be excluded in determining whether the IES Minority Approval has been received. If the IES Meeting had been held on July 24, 2013, in order for IES to receive IES Minority Approval, no more than 3,265,175, or 49.9%, of the remaining 6,543,437 shares of IES common stock that would have been outstanding and entitled to vote on that date could have been voted against IES' proposal to issue shares of IES common stock in the merger.

Any or all of the conditions to the completion of the merger, including IES Minority Approval, may, to the extent permitted by applicable law, be waived in writing in whole or in part by either IES or MISCOR.

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MISCOR: Pursuant to the merger agreement, as a condition to the completion of the merger, the holders of fifty percent (50%) or more of all of the issued and outstanding shares of MISCOR common stock entitled to vote (excluding shares held by certain affiliates of IES and MISCOR), shall not have voted against MISCOR's proposal to adopt the merger agreement. Accordingly, such holders must not affirmatively vote against the adoption of the merger agreement. Abstentions and broker non-votes will not be counted either in favor of or against the proposal to adopt the merger agreement for the purpose of determining satisfaction of the MISCOR Minority Approval.

The 8,572,132 shares of MISCOR common stock held by Mr. Martell and affiliates of Tontine Capital Management, L.L.C., which represented approximately 73.4% of the shares of MISCOR common stock issued and outstanding as of July 24, 2013, will be excluded in determining whether the MISCOR Minority Approval has been received. If the MISCOR Meeting had been held on July 24, 2013, in order for MISCOR to receive MISCOR Minority Approval, no more than 1,555,927, or 49.9%, of the remaining 3,111,855 shares of MISCOR common stock that would have been outstanding and entitled to vote on that date could have been voted against MISCOR's proposal to adopt the merger agreement.

Any or all of the conditions to the completion of the merger, including MISCOR Minority Approval, may, to the extent permitted by applicable law, be waived in writing in whole or in part by either IES or MISCOR.

Q: What is golden parachute compensation and why am I being asked to vote on it?

A: Under certain rules adopted by the SEC, MISCOR must seek an advisory (non-binding) vote of MISCOR shareholders on golden parachute compensation. Golden parachute compensation is certain compensation that is tied to or based on the merger and that will or may be paid by MISCOR or IES to the MISCOR named executive officers in connection with the merger. The proposal regarding golden parachute compensation is referred to in this joint proxy statement/prospectus as the merger-related named executive officer compensation proposal.

Q: What vote is required to approve the merger-related named executive officer compensation proposal?

A: The affirmative vote of holders of at least a majority of the shares of MISCOR common stock present in person or represented by proxy at the MISCOR Meeting and entitled to vote is required to approve the merger-related named executive officer compensation proposal. Accordingly, if a MISCOR shareholder abstains from voting on the merger-related named executive officer compensation proposal, it will have the same effect as a vote AGAINST the proposal. Alternatively, if a MISCOR shareholder who holds his or her shares in street name through a broker, bank or other holder of record fails to give voting instructions to that broker, bank or other holder of record, or if a MISCOR shareholder otherwise fails to vote his or her shares, it will have no effect on the proposal.

Q: What will happen if MISCOR shareholders do not approve the merger-related named executive officer compensation proposal?

A: Approval of the merger-related named executive officer compensation proposal is not a condition to completion of the merger. The vote with respect to the proposal is an advisory vote and will not be binding on MISCOR or IES. If the merger agreement is adopted by MISCOR shareholders and the merger is completed, the merger-related named executive officer compensation may be paid to MISCOR's named executive officers even if MISCOR shareholders fail to approve the proposal as long as the otherwise applicable conditions to payment are satisfied. For a more detailed description of the merger-related named executive officer compensation and the terms and conditions applicable for payment of such compensation to be triggered, please see Proposals Being Submitted to a Vote at the MISCOR Meeting Proposal No. 2: Approval, by Non-Binding Advisor Vote, of Merger-Related Named Executive Officer Compensation Golden Parachute Compensation beginning on page 247.

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Q: What is the vote required to approve the proposals to adjourn or postpone the special meetings?

A: **IES:** The affirmative vote of a majority of the votes cast at the IES Meeting is required to approve the proposal to adjourn or postpone the IES Meeting.

If an IES stockholder attends but fails to vote on the proposal to adjourn or postpone the IES Meeting, as discussed above, or if an IES stockholder abstains, the presence of the IES stockholder will be counted for purposes of a quorum, but will not constitute a vote cast. Abstentions and broker non-votes will not be counted either in favor of or against approval of the proposal to adjourn or postpone the IES Meeting.

MISCOR: The affirmative vote of a majority of the votes cast at the MISCOR Meeting is required to approve the proposal to adjourn or postpone the MISCOR Meeting.

If a MISCOR shareholder attends but fails to vote on the proposal to adjourn or postpone the MISCOR Meeting, as discussed above, or if a MISCOR shareholder abstains, the presence of the MISCOR shareholder will be counted for purposes of a quorum, but will not constitute a vote cast. Abstentions and broker non-votes will not be counted either in favor of or against approval of the proposal to adjourn or postpone the MISCOR Meeting.

Q: What is required to establish a quorum at each of the meetings?

A: **IES:** The presence in person or by proxy of holders of at least a majority of the shares of IES common stock issued and outstanding and entitled to vote at the IES Meeting will constitute a quorum. Abstentions and broker non-votes will be counted in determining whether a quorum is present at the IES Meeting.

MISCOR: The presence in person or by proxy of holders of at least a majority of the MISCOR common stock issued and outstanding and entitled to vote at the MISCOR Meeting will constitute a quorum. Abstentions and broker non-votes will be counted in determining whether a quorum is present at the MISCOR Meeting.

Q: How do I vote my shares?

A: After you have carefully read this joint proxy statement/prospectus, please respond by completing, signing and dating your proxy card and returning it in the enclosed postage-paid envelope as soon as possible or, if you are a MISCOR shareholder, submit your proxy by telephone or via the Internet, as described under "The MISCOR Meeting Proxy Voting by Holders of Record," beginning on page 125. Please refer to your proxy card or the information forwarded by your broker, bank or other nominee to see which options are available to you. MISCOR's Internet and telephone proxy submission procedures are designed to authenticate stockholders and to allow you to confirm that your instructions have been properly recorded.

The method you use to submit a proxy will not limit your right to vote in person at the IES Meeting or the MISCOR Meeting, as applicable, if you later decide to attend the meeting. If your shares of IES common stock or MISCOR common stock are held in the name of a broker, bank or other nominee, you must obtain a proxy, executed in your favor, from the holder of record, to be able to vote in person at the applicable stockholders' meeting.

Q: How will my shares be voted?

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A: **IES:** All shares of IES common stock entitled to vote and represented by properly completed proxies received prior to the IES Meeting, and not revoked, will be voted at the IES Meeting as instructed on the proxies.

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Except as indicated in the next Q&A with respect to shares held in street name, *if you properly complete and sign your proxy card but do not indicate how your shares should be voted on a proposal, the shares of IES common stock represented by your proxy will be voted as the IES board of directors recommends* and, therefore, will be voted FOR the issuance of shares of IES common stock in the merger and FOR the adjournment or postponement of the IES Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of such proposals.

MISCOR: All MISCOR common stock entitled to vote and represented by properly completed proxies received prior to the MISCOR Meeting, and not revoked, will be voted at the MISCOR Meeting as instructed on the proxies.

Except as indicated in the next Q&A with respect to shares held in street name, *if you properly complete and sign your proxy card but do not indicate how your MISCOR common stock should be voted on a proposal, the MISCOR common stock represented by your proxy will be voted as the MISCOR board of directors recommends* and, therefore, will be voted FOR the adoption of the merger agreement, FOR the approval of the merger-related named executive officer compensation proposal and FOR the adjournment or postponement of the MISCOR Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of such proposals.

Q: If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee vote my shares for me in connection with the approval of the merger agreement and the issuance of shares of IES common stock in the merger?

A: No. Your broker, bank or other nominee will NOT be able to vote your shares of IES or MISCOR common stock held in street name on either the IES proposal to approve the issuance of shares of IES common stock in the merger or the MISCOR proposal to adopt the merger agreement, as applicable, unless you instruct your broker, bank or other nominee how to vote. Please follow the voting instructions provided by your broker, bank or other nominee. *Please note that you may not vote shares held in street name by returning a proxy card directly to IES or MISCOR or by voting in person at your stockholders meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee.*

If you are an IES stockholder and you do not instruct your broker or other nominee on how to vote your shares:

your broker, bank or other nominee may not vote your shares on the proposal to approve the issuance of shares of IES common stock in the merger, and your vote will not be cast in favor of this proposal.

If you are a MISCOR shareholder and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee may not vote your shares on the proposal to adopt the merger agreement, which will have the same effect as a vote AGAINST the adoption of the merger agreement.

You should therefore provide your broker, bank or other nominee with instructions as to how to vote your shares of IES or MISCOR common stock, as applicable.

Q: If, as a MISCOR shareholder, I do not favor adoption of the merger agreement, what are my rights?

A: Holders of MISCOR common stock who do not vote in favor of adoption of the merger agreement will be entitled to exercise appraisal rights in connection with the merger, and, if such rights are properly demanded and perfected and not withdrawn or lost and the merger is completed, such shareholders will be entitled to obtain payment for the judicially determined fair value of their shares of MISCOR common stock.

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MISCOR shareholders who wish to seek appraisal of their shares are urged to seek the advice of counsel with respect to the availability of appraisal rights. A MISCOR shareholder who (1) delivers to MISCOR, before the shareholder vote is taken at the MISCOR Meeting, written notice of the shareholder's intent to demand payment in cash for shares owned if the merger is effectuated and (2) does not vote the shareholder's shares in favor of the merger will not receive the merger consideration. The shareholder will instead be entitled to assert dissenters' rights and seek an appraisal of his or her shares, unless the shareholder fails to take the steps prescribed by Chapter 44 of the IBCL to perfect such shareholder's dissenters' rights. Upon consummation of the merger and receipt of a payment demand, former MISCOR shareholders who have complied with all statutory requirements will be paid the fair value of their shares as of the time immediately before the merger. The full text of Chapter 44 of the IBCL is attached as Annex D to this joint proxy statement/prospectus.

For more information on appraisal rights, see Appraisal Rights beginning on page 154. MISCOR shareholders who wish to seek appraisal of their shares are in any case urged to seek the advice of counsel with respect to the availability of appraisal rights.

Q: Are IES stockholders entitled to appraisal rights?

A: Holders of IES common stock will not have the right to seek appraisal of the fair value of their shares of IES common stock.

Q: Can I change my vote after I deliver my proxy?

A: **Yes.** You may change your vote at any time before your proxy is voted at the IES Meeting or the MISCOR Meeting, as applicable. You can do this in any of the three following ways:

by sending a written notice to the Secretary of IES or MISCOR, as applicable, in time to be received before the IES Meeting or the MISCOR Meeting, as applicable, stating that you would like to revoke your proxy;

by completing, signing, dating and submitting to the Secretary of IES or MISCOR, as applicable, a later proxy card or, if you are a MISCOR shareholder, by submitting a later proxy via the Internet or by telephone (before 11:59 p.m. Eastern Daylight Time on the day before the MISCOR Meeting), in which case your later-submitted proxy will be recorded and your earlier proxy revoked; or

if you are a holder of record, or if you hold a proxy in your favor executed by a holder of record, by attending the applicable stockholders' meeting and voting in person.

Simply attending the IES Meeting or the MISCOR Meeting, as applicable, without voting will not revoke your proxy or change your vote.

If your shares of IES common stock or MISCOR common stock are held in an account at a broker, bank or other nominee and you desire to change your vote, you should contact your broker, bank or other nominee.

Q: If I am a MISCOR shareholder, should I send in my stock certificates with my proxy card?

A: **No.** Please **DO NOT** send your MISCOR stock certificates with your proxy card. After the merger is completed, you will be sent a letter of transmittal with detailed written instructions for exchanging your MISCOR common stock certificates for the merger consideration. If your shares of MISCOR common stock are held in street name by your broker, bank or other nominee, you will receive instructions from

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your broker, bank or other nominee as to how to effect the surrender of your street name shares in exchange for the merger consideration.

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Q: What should I do if I receive more than one set of voting materials for the IES Meeting or the MISCOR Meeting?

A: You may receive more than one set of voting materials for the IES Meeting or the MISCOR Meeting and the materials may include multiple proxy cards or voting instruction cards. For example, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record registered in more than one name, you will receive more than one proxy card. **Please complete, sign, date and return each proxy card and voting instruction card that you receive according to the instructions on it or, if you are a MISCOR holder of record, submit a proxy by telephone or via the Internet for each proxy card you receive.**

Q: Can I submit my proxy by telephone or the Internet?

A: **IES:** No. Holders of record of IES common stock may not submit their proxies by telephone or by the Internet. See The IES Meeting Proxy Voting by Holders of Record, beginning on page 120.

MISCOR: Yes. Holders of record of MISCOR common stock may submit their proxies by telephone or via the Internet. See The MISCOR Meeting Proxy Voting by Holders of Record, beginning on page 125.

Q: How do I elect the form of consideration that I wish to receive in the merger?

A: The election form and other appropriate and customary transmittal materials will be mailed to MISCOR shareholders of record as of the close of business on the record date for the MISCOR Meeting at the same time as this joint proxy statement/prospectus is mailed. The election form will allow each MISCOR shareholder (other than a holder of Dissenting Shares) to specify the number of shares of MISCOR common stock with respect to which such holder elects to receive Cash Consideration and the number of shares of MISCOR common stock with respect to which such holder elects to receive Stock Consideration. A copy of the election form is attached as Exhibit 99.3 to the registration statement of which this joint proxy statement/prospectus forms a part.

The election must be made prior to the election deadline. Unless extended or otherwise agreed upon by IES and MISCOR, the election deadline will be 5:00 p.m., New York time, on the later of (i) the 33rd day following the date the election form is mailed to MISCOR shareholders, (ii) the fifth business day following the dissemination of the joint press release disclosing the final determination of the Cash Consideration and the Exchange Ratio and (iii) such other date and time on which IES and MISCOR shall agree. IES and MISCOR will make a public announcement if the election deadline is extended. IES and MISCOR will also make a public announcement upon the receipt of election forms reflecting either (i) the election of Stock Consideration by more than 50% of the issued and outstanding shares of MISCOR common stock or (ii) the election of Cash Consideration in excess of the Maximum Cash Amount.

If a MISCOR shareholder does not make an election to receive Cash Consideration or Stock Consideration, the election form is not received by the exchange agent by the election deadline, the forms of election are improperly completed and/or are not signed, or the certificates representing MISCOR common stock or other documentation are not included with the election form, such shareholder will be deemed not to have made an election. Any MISCOR shareholder that does not make a valid election will be deemed to have elected to receive, and will be paid, Stock Consideration; *provided, however*, that if the IES Common Stock Value is less than \$4.024, then such shareholder will be deemed to have elected to receive, and will be paid, subject to the Maximum Cash Amount, Cash Consideration. If the Merger Consideration Determination Date had occurred on July 24, 2013, the default election would have been Stock Consideration, based on the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, which assumptions will not be definitively determined until the Merger Consideration Determination Date.

Any MISCOR shareholder that does not intend to make a valid election should still vote their shares of MISCOR common stock at the MISCOR Meeting either in person or by proxy.

Q: Who can answer my questions?

A: If you have any questions about how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus, the enclosed proxy card, voting instructions or the election form, please contact:

Banks and Brokers call toll-free: (800) 579-1639

IES stockholders of record call toll-free: (800) 937-5449

MISCOR shareholders of record call toll-free: (877) 830-4936

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SUMMARY

The following is a summary that highlights information contained in this joint proxy statement/prospectus. This summary may not contain all of the information that is important to you. For a more complete description of the merger agreement and the transactions contemplated by the merger agreement, IES and MISCOR encourage you to read carefully this entire joint proxy statement/prospectus, including the attached Annexes and the Risk Factors beginning on page 30.

The Companies

Integrated Electrical Services, Inc.

IES is a leading provider of infrastructure services to the residential, commercial and industrial industries as well as for data centers and other mission critical environments. IES operates primarily in the electrical infrastructure markets, with a corporate focus on expanding into other markets through strategic acquisitions or investments. Originally established as IES in 1997, it is a Delaware corporation providing services from 56 domestic locations as of March 31, 2013. IES is headquartered in Houston, Texas, and maintains an executive office in Greenwich, Connecticut. IES operations are organized into three principal business segments, based upon the nature of its current products and services:

Communications Nationwide provider of products and services for mission critical infrastructure, such as data centers, of large corporations.

Residential Regional provider of electrical installation services for single-family housing and multi-family apartment complexes.

Commercial & Industrial Provider of electrical design, construction and maintenance services to the commercial and industrial markets in various regional markets and nationwide in certain areas of expertise, such as the power infrastructure market.

IES common stock is traded on the NASDAQ under the symbol IESC. IES principal executive offices are located at 5433 Westheimer Road, Suite 500, Houston, Texas 77056, and its telephone number is (713) 860-1500.

MISCOR Group, Ltd.

MISCOR is a provider of maintenance and repair services including engine parts and components to industrial services and rail services. MISCOR began operations in July 2000 with the purchase of the operating assets of an electric motor and magnet shop in South Bend, Indiana. Through acquisitions and internal growth, MISCOR expanded the nature of its operations as well as its geographic presence, which now includes locations in Indiana, Alabama, Ohio, West Virginia and California.

MISCOR operates primarily in two business segments:

Industrial Services Providing maintenance and repair services to several industries including electric motor repair and rebuilding; maintenance and repair of electro-mechanical components for the wind power industry; and the repairing, manufacturing and remanufacturing of industrial lifting magnets for the steel and scrap industries. To supplement its service offerings, MISCOR also provides on-site maintenance services and custom and standardized industrial maintenance training programs.

Rail Services Manufacturing and rebuilding power assemblies, engine parts, and other components related to large diesel engines, and providing locomotive maintenance, remanufacturing and repair services for the rail industry.

MISCOR common stock is traded in the OTCQB under the symbol MIGL. MISCOR's principal executive offices are located at 800 Nave Road, SE, Massillon, Ohio 44646, and its telephone number is (330) 830-3500.

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IES Subsidiary Holdings, Inc.

Merger Sub is a direct, wholly-owned subsidiary of IES. Merger Sub, a Delaware corporation, was formed on March 6, 2013, solely for the purpose of effecting the merger. Merger Sub has not conducted any business operations other than activities incidental to its formation and in connection with the transactions contemplated by the merger agreement.

The principal executive offices of Merger Sub are located at 5433 Westheimer Road, Suite 500, Houston, Texas 77056, and its telephone number is (713) 860-1500.

The Merger Agreement (see page 138)

IES and MISCOR have agreed to combine their businesses pursuant to the merger agreement described in this joint proxy statement/prospectus, subject to the requisite stockholder approvals and other conditions. Under the terms of the merger agreement, MISCOR will merge with and into Merger Sub, with Merger Sub surviving the merger as the surviving corporation, a direct, wholly-owned subsidiary of IES. The merger agreement, as amended, is attached as Annex A to this joint proxy statement/prospectus and is incorporated by reference herein. IES and MISCOR encourage you to read the merger agreement in its entirety because it is the legal document that governs the merger.

Risk Factors (see page 30)

There are risks associated with the merger and the operations of IES and IES common stock after the merger. These risks are more fully described in Risk Factors, beginning on page 30.

Risk Factors Relating to the Merger

Among the risk factors relating to the merger are the following:

the merger consideration is subject to fluctuation based upon MISCOR's Net Debt as of the Merger Consideration Determination Date and the 60-day VWAP of IES common stock ending on the Merger Consideration Determination Date;

any delay in completing the merger may reduce the benefits expected to be obtained from the merger;

the failure to complete the merger could negatively impact the stock price and the future business and financial results of IES and MISCOR;

the rights of MISCOR shareholders who become stockholders of IES in the merger will be governed by IES' certificate of incorporation and bylaws, which are different in some respects from the MISCOR articles of incorporation and bylaws; and

the directors and executive officers of MISCOR have personal interests that may motivate them to support or approve the merger.

Risk Factors Relating to IES Following the Merger

Among the risk factors relating to IES after the merger are the following:

IES may experience difficulties in integrating MISCOR's business and could fail to realize potential benefits of the merger; and

IES will have increased debt after the merger, which could have a material adverse effect on its financial health and limit its future operations.

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Risk Factors Relating to IES Common Stock Following the Merger

Among the risk factors relating to IES common stock after the merger are the following:

the price of IES common stock will continue to fluctuate after the merger and may be affected differently from the separate factors that currently affect the prices of IES common stock and MISCOR common stock; and

the market value of IES common stock could decline if large amounts of IES common stock are sold following the merger.

Merger Consideration (see page 138)

At the effective time of the merger, each outstanding share of MISCOR common stock (other than shares held by MISCOR shareholders who do not vote in favor of the adoption of the merger agreement and who are entitled to and properly demand appraisal rights in accordance with Indiana law (Dissenting Shares) and shares to be canceled pursuant to the terms of the merger agreement) will be converted into the right to receive merger consideration comprised of, at the election of the holder, either: (1) a per share dollar amount (the Cash Consideration), which amount shall not be less than \$1.415 (the Minimum Cash Consideration), equal to the quotient obtained by dividing (x) the difference between \$24.0 million and the amount of MISCOR's Net Debt (as defined in the merger agreement) and (y) the number of shares of MISCOR common stock outstanding as of the fifteenth business day prior to the closing date (the Merger Consideration Determination Date), including shares issuable upon the exercise of outstanding options and warrants; or (2) a number of shares of IES common stock (the Stock Consideration) equal to a fraction (the Exchange Ratio), the numerator of which is the Cash Consideration and the denominator of which is the volume-weighted average of the sale prices per share of IES common stock (the VWAP) for the 60 consecutive trading days ending with the Merger Consideration Determination Date (the IES Common Stock Value); *provided, however*, that if the IES Common Stock Value is less than \$4.024 per share or greater than \$6.036 per share (the VWAP Collar), then the IES Common Stock Value will be \$4.024 per share or \$6.036 per share, respectively. Notwithstanding the foregoing, the aggregate Cash Consideration to be paid in connection with the merger shall not exceed a threshold, as described in the merger agreement (the Maximum Cash Amount), equal to the product obtained by multiplying (x) the Cash Consideration by (y) 50% of the number of shares of MISCOR common stock outstanding immediately prior to the effective time of the merger.

If the Merger Consideration Determination Date had occurred on July 24, 2013, it is estimated that each MISCOR shareholder would have the right to receive, subject to the terms of the merger agreement, at his or her election, either \$1.48 in cash or 0.311 shares of IES common stock for each share of MISCOR common stock issued and outstanding, subject to the Maximum Cash Amount, based on the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, which assumptions will not be definitively determined until the Merger Consideration Determination Date. See Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2 for further discussion of these assumptions and a sensitivity analysis related to the potential consideration that may be received by MISCOR shareholders. The actual value of the consideration and the number of shares of IES common stock to be issued may differ from this example, given that these amounts will not be determined until the Merger Consideration Determination Date has passed and MISCOR shareholders have made their elections.

The formula for calculation of the merger consideration was designed to effect a fixed enterprise value for MISCOR of approximately \$24 million, but to provide for adjustment of the purchase price to reflect MISCOR's Net Debt at a time as close as possible to the closing date (because of the uncertainty in MISCOR's projected debt levels due to its ongoing pay-down of debt). This formula benefits MISCOR shareholders by providing for higher total consideration in the event that MISCOR generates cash and pays down debt prior to closing. Pursuant to the merger agreement, MISCOR does not have a right to terminate the transaction if the market price of IES common stock falls to a value such that the per share consideration to be received by MISCOR

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shareholders electing to receive Stock Consideration could be valued at less than \$1.415, which is the minimum per share consideration to be received by MISCOR shareholders electing to receive Cash Consideration.

The inclusion of both cash and stock components of the merger consideration reflects the intent of IES management to balance the following objectives: preserving available liquidity at IES for financial flexibility; meeting internal liquidity requirements and those under IES credit facility; limiting dilution of IES existing stockholders; and offering MISCOR shareholders the opportunity to continue to participate in the future potential growth of MISCOR's business and IES through their ownership of IES common stock. Based on these objectives, if the merger consideration had been limited to only Cash Consideration, IES management and the IES board of directors may not have been able to recommend a purchase of MISCOR that would require utilization of approximately \$24 million in available liquidity. IES management also determined that it would be in the best interest of IES and its stockholders to limit the cash component of the merger consideration to the Maximum Cash Amount in order to manage liquidity at IES within the constraints noted above and provide certainty as to the maximum liquidity impact of the transaction on IES. Further, IES management considered that it would be in the best interest of MISCOR's shareholders to limit the cash component of the merger consideration to the Maximum Cash Amount, in order to meet the criteria for treatment of the consideration as non-taxable to MISCOR shareholders for U.S. federal income tax purposes.

The following chart illustrates the relative value of Stock Consideration to Cash Consideration at varying VWAP values and at two different levels of Cash Consideration: (i) \$1.48 per share, which is the estimated Cash Consideration as of July 24, 2013, based on the pro forma assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, which assumptions will not be definitively determined until the Merger Consideration Determination Date, and (ii) \$1.415 per share, which is the Minimum Cash Consideration as provided in the merger agreement. For purposes of calculating the value of the Stock Consideration, it is assumed that the market price of IES common stock is equal to the VWAP. The market price of IES common stock may be more or less than the VWAP on the Merger Consideration Determination Date or the closing date of the transaction. Please see Variables Impacting the Amount of Merger Consideration beginning on page 16 and Risk Factors Relating to the Merger. The estimated per share Cash Consideration and Stock Consideration are based on certain estimates, judgments and assumptions that may change or prove to be incorrect on page 31. The highlighted rows represent the VWAP values that are within the VWAP Collar.

Per Share Value of Stock Consideration v. Cash Consideration

VWAP	Pro Forma		Minimum	
	Consideration Scenario		Cash Consideration Scenario	
	Stock Consideration	Cash Consideration	Stock Consideration	Cash Consideration
\$3.000	\$ 1.10	\$ 1.48	\$ 1.055	\$ 1.415
\$3.420	\$ 1.25	\$ 1.48	\$ 1.203	\$ 1.415
\$3.500	\$ 1.28	\$ 1.48	\$ 1.231	\$ 1.415
\$3.620	\$ 1.33	\$ 1.48	\$ 1.273	\$ 1.415
\$3.820	\$ 1.40	\$ 1.48	\$ 1.343	\$ 1.415
\$4.000	\$ 1.47	\$ 1.48	\$ 1.407	\$ 1.415
\$4.024	\$ 1.48	\$ 1.48	\$ 1.415	\$ 1.415
\$4.500	\$ 1.48	\$ 1.48	\$ 1.415	\$ 1.415
\$5.000	\$ 1.48	\$ 1.48	\$ 1.415	\$ 1.415
\$5.500	\$ 1.48	\$ 1.48	\$ 1.415	\$ 1.415
\$6.000	\$ 1.48	\$ 1.48	\$ 1.415	\$ 1.415
\$6.036	\$ 1.48	\$ 1.48	\$ 1.415	\$ 1.415
\$6.340	\$ 1.55	\$ 1.48	\$ 1.486	\$ 1.415
\$6.500	\$ 1.59	\$ 1.48	\$ 1.524	\$ 1.415
\$6.640	\$ 1.62	\$ 1.48	\$ 1.557	\$ 1.415
\$7.000	\$ 1.71	\$ 1.48	\$ 1.641	\$ 1.415

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The following chart utilizes the values illustrated in the chart above to show the value of the Stock Consideration as a percentage of the Cash Consideration.

Value of Stock Consideration as a Percentage of Cash Consideration

VWAP	Pro Forma Consideration Scenario	Minimum Cash Consideration Scenario
\$3.000	74.6%	74.6%
\$3.420	85.0%	85.0%
\$3.500	87.0%	87.0%
\$3.620	90.0%	90.0%
\$3.820	94.9%	94.9%
\$4.000	99.4%	99.4%
\$4.024	100.0%	100.0%
\$4.500	100.0%	100.0%
\$5.000	100.0%	100.0%
\$5.500	100.0%	100.0%
\$6.000	100.0%	100.0%
\$6.036	100.0%	100.0%
\$6.340	105.0%	105.0%
\$6.500	107.7%	107.7%
\$6.640	110.0%	110.0%
\$7.000	116.0%	116.0%

The preceding charts assumes valuation of per share consideration based upon a range of potential VWAP values at the Merger Consideration Determination Date. However, the market value of IES common stock may fluctuate between the Merger Consideration Determination date and the date of receipt of the Stock Consideration by MISCOR shareholders in the merger. The pro forma consideration values are based upon the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, including Cash Consideration of \$1.48 per share, which assumptions will not be definitively determined until the Merger Consideration Determination Date. The highlighted rows represent the VWAP values that fall within the VWAP Collar.

The following graph illustrates IES stock performance since July 1, 2012 and VWAP performance since July 31, 2012.

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Impact of Maximum Cash Amount

Each MISCOR shareholder will have the right to elect to receive all Cash Consideration, all Stock Consideration or a mix of Cash Consideration and Stock Consideration, subject to the Maximum Cash Amount, which is equal to approximately 50% of the total consideration to be received by MISCOR shareholders in the merger. If the aggregate amount of cash that would be paid upon conversion of the shares of MISCOR common stock for which MISCOR shareholders elect to receive Cash Consideration collectively, including, in the event that the IES Common Stock Value is less than \$4.024, all shares of MISCOR common stock for which a valid election was not made (the Cash Election Shares), is greater than the Maximum Cash Amount, then the exchange agent shall select from among the Cash Election Shares, by a pro rata selection process, a sufficient number of shares (the Stock Designation Shares) such that the aggregate amount of cash that will be paid in the merger in respect of the Cash Election Shares that are not Stock Designation Shares equals as closely as practicable the Maximum Cash Amount, and the Stock Designation Shares shall be converted into the right to receive the Stock Consideration. Any MISCOR shareholder that does not make a valid election with respect to such holder's MISCOR common stock shall be deemed to have elected to receive the Stock Consideration; *provided, however*, that if the IES Common Stock Value is less than \$4.024, then such shareholder will be deemed to have elected to receive, and will be paid, subject to the Maximum Cash Amount, Cash Consideration. If the Merger Consideration Determination Date had occurred on July 24, 2013, the default election would have been Stock Consideration, based on the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, which assumptions will not be definitively determined until the Merger Consideration Determination Date.

If the aggregate amount of cash that would be paid upon conversion of the Cash Election Shares is greater than the Maximum Cash Amount, then the determination of which Cash Election Shares will be designated as Stock Designation Shares will be made by the exchange agent. The determination of the number of Stock Designation Shares to be allocated to each MISCOR shareholder will be made by multiplying the number of Cash Election Shares held by such MISCOR shareholder by a fraction, the numerator of which is (x) the number of all Cash Election Shares less 50% of the number of shares of MISCOR common stock outstanding immediately prior to the effective time of the merger, and the denominator of which is (y) the number of all Cash Election Shares.

As of July 24, 2013, Tontine and Mr. Martell owned 49.9% and 23.4% of the outstanding MISCOR common stock, respectively. Mr. Martell and representatives of Tontine have each engaged in non-binding discussions with representatives of MISCOR and IES regarding their intentions to elect to receive Stock Consideration and/or Cash Consideration in the merger. If Tontine's and Mr. Martell's elections are consistent with their non-binding indications, it would result in the election of sufficient Stock Consideration to avoid triggering the Maximum Cash Amount and thereby limiting the Cash Consideration available to unaffiliated MISCOR shareholders in the merger.

Tontine has indicated that it intends to elect to receive Stock Consideration for 100% of its shares of MISCOR common stock, subject to the exercise of fiduciary duties in the management of its funds and other factors. Similarly, Mr. Martell has indicated that he intends to elect to receive Stock Consideration for not less than 500,000 shares and not more than 1,500,000 shares of MISCOR common stock, depending on certain factors and considerations. Based on these non-binding indications, it is anticipated that, at a minimum, 54% of the shares of MISCOR common stock outstanding as of July 24, 2013 will elect to receive Stock Consideration in the merger.

The non-binding indications provided by Tontine and Mr. Martell impacted the assumption made in the pro forma financial statements that MISCOR shareholders holding approximately 75% of MISCOR's issued and outstanding common stock (as of the Merger Consideration Determination Date) will elect to receive Stock Consideration and that MISCOR shareholders holding approximately 25% of MISCOR's issued and outstanding common stock (as of such date) will elect to receive Cash Consideration. A sensitivity analysis related to this assumption is also provided in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2.

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If the Merger Consideration Determination Date had occurred on July 24, 2013, it is estimated that the Maximum Cash Amount would have been approximately \$8.7 million and that holders of up to approximately 5.9 million shares of MISCOR common stock could have elected to, and would have, received Cash Consideration in the merger, in each case based on the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, which assumptions will not be definitively determined until the Merger Consideration Determination Date. Based on these assumptions, if the Merger Consideration Determination Date had occurred on July 24, 2013, the aggregate amount of cash that would be paid upon conversion of the Cash Election Shares would be less than the Maximum Cash Amount, and no shares of MISCOR common stock for which a cash election was made would have received shares of IES common stock in lieu of cash.

Assumptions Underlying Calculations of Estimated Merger Consideration and Estimated Ownership of IES Common Stock Following Completion of the Merger

The calculation of estimated per share Cash Consideration and Stock Consideration, as of July 24, 2013, and the calculations of estimated ownership of IES common stock following completion of the merger are based on the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, which assumptions will not be definitively determined until the Merger Consideration Determination Date. These assumptions include the following:

MISCOR's total debt outstanding at July 24, 2013 of \$6.614 million may better reflect MISCOR's anticipated Net Debt as of the Merger Consideration Determination Date than MISCOR's Net Debt for the 30-day period ended as of July 24, 2013 of \$5.994 million;

the total number of MISCOR equity units outstanding as of July 24, 2013 (excluding any out-of-the-money options) is reflective of the total number of shares of MISCOR common stock, including shares issuable upon the exercise of outstanding options and warrants, that will be outstanding as of the Merger Consideration Determination Date;

estimated cash consideration per share equal to (x) the difference between \$24.0 million and MISCOR's debt balance as of July 24, 2013 (see the first bullet above) divided by (y) the number of MISCOR equity units outstanding as of July 24, 2013 (see the second bullet above);

the closing price of IES common stock, as reported on the NASDAQ on July 24, 2013, of \$4.75 per share may better reflect the anticipated VWAP of IES common stock for the 60-day period ending on the Merger Consideration Determination Date than the VWAP of IES common stock for the 60-day period ending on July 24, 2013 of \$5.1616;

an estimated exchange ratio equal to (x) the estimated cash consideration of \$1.48 per share (see the third bullet above), divided by (y) the closing price of IES common stock, as reported on the NASDAQ on July 24, 2013 (see the fourth bullet above); and

15,105,846 shares of IES common stock will be outstanding immediately prior to the effective time of the merger.

In making these calculations, it has also been assumed that MISCOR shareholders holding approximately 75% of MISCOR's issued and outstanding common stock (as of the Merger Consideration Determination Date) will elect to receive Stock Consideration and that MISCOR shareholders holding approximately 25% of MISCOR's issued and outstanding common stock (as of such date) will elect to receive Cash Consideration. This is IES management's best estimate at this time, which is based, in part, on the expectation (based on Tontine's and Mr. Martell's non-binding election indications) that Tontine will elect to receive Stock Consideration for 100% of its MISCOR common stock (or 49.9% of MISCOR's outstanding common stock as of July 24, 2013) and Mr. Martell will elect to receive Stock Consideration for between 18.3% and 54.8% of his MISCOR common stock (or between 4.2% and 12.7% of MISCOR's outstanding common stock as of July 24, 2013). Please see Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2 for further discussion of, and a sensitivity analysis related to, this assumption. Please also see "Impact of Maximum Cash Amount" beginning on page 14.

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All assumptions are based on IES management's best estimates at this time. Actual amounts may vary from these estimates based on, among other factors, (i) the number of MISCOR equity units for which Cash Consideration is elected and the number of MISCOR equity units for which Stock Consideration is elected, (ii) the IES Common Stock Value, (iii) if the IES Common Stock Value is outside of the VWAP Collar on the Consideration Determination Date, (iv) the market price of IES common stock on the closing date, and (v) fluctuations in MISCOR's Net Debt prior to the Merger Consideration Determination Date. Please see Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2 for sensitivity disclosures related to certain of the assumptions described above.

Variables Impacting the Amount of Merger Consideration

As described above, the Cash Consideration and Stock Consideration to be received by MISCOR shareholders in the merger are subject to numerous variables, which are subject to fluctuation and will not be determined until the Merger Consideration Determination Date. The most significant of these variables are the amount of MISCOR's Net Debt and the market price of IES common stock.

The amount of MISCOR's Net Debt. The total consideration that IES will pay to MISCOR shareholders in the merger is based on an agreed transaction value for MISCOR of approximately \$24.0 million (the Transaction Value), less MISCOR's Net Debt for the 30-day period ending on the Merger Consideration Determination Date (as reduced, the Adjusted Transaction Value). As of July 24, 2013, MISCOR's Net Debt (for the 30-day period ending on that date), was approximately \$5.994 million. However, circumstances could result in Net Debt increasing above or decreasing below its current levels, which would affect the total consideration paid to MISCOR shareholders in the merger. MISCOR estimates that its Net Debt as of the Merger Consideration Determination Date could range from \$7.300 million to \$5.500 million.

The market price of IES common stock. The Stock Consideration to be received by MISCOR shareholders will be calculated based on the VWAP of IES common stock over the 60-day period ending on the Merger Consideration Determination Date (which is referred to herein as the IES Common Stock Value), and not the actual market price of IES common stock on the closing date. As a result, the market value of the shares of IES common stock received by MISCOR shareholders electing to receive Stock Consideration in the merger may be greater than or less than the IES Common Stock Value used to calculate the per share Stock Consideration. As a result, the total consideration received by MISCOR shareholders in the merger may be greater than or less than the Adjusted Transaction Value, depending on (i) the percentage of MISCOR shareholders that elect to receive the Stock Consideration, (ii) the IES Common Stock Value as determined on the Merger Consideration Determination Date and the difference between the IES Common Stock Value and the VWAP Collar in calculating the per share Stock Consideration and (iii) the market price of IES common stock on the closing date.

The market price of IES common stock could be impacted by numerous factors (as more fully described in Risk Factors beginning on page 30) and could decline if, among other things, any amount of IES common stock is sold. On February 21, 2013, pursuant to a registration rights agreement with Tontine, IES filed a shelf registration statement (as amended, the Shelf Registration Statement) to register all of Tontine's shares of IES common stock. The Shelf Registration Statement was declared effective on June 18, 2013. For so long as it remains effective, Tontine will have the ability to resell any or all of the shares of IES common stock included in the Shelf Registration Statement from time to time in one or more offerings, as described in the Shelf Registration Statement and in any prospectus supplement filed in connection with an offering pursuant to the Shelf Registration Statement. IES has received no indication from Tontine that it intends to resell any securities pursuant to the Shelf Registration Statement prior to the closing of the merger, nor has Tontine made any such sale pursuant to the Shelf Registration Statement to date. For additional information on the Shelf Registration Statement, please see IES Management's Discussion and Analysis of Financial Condition and Results of Operations Controlling Shareholder beginning on page 190.

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Should Tontine sell or otherwise dispose of all or a portion of its position in IES, a change in ownership of IES could occur. A change in ownership, as defined by Internal Revenue Code Section 382, could reduce the availability of IES net operating losses (NOLs) for federal and state income tax purposes. For additional information on IES NOL position, please see Business of IES Net Operating Loss Carry Forward beginning on page 161, IES Management s Discussion and Analysis of Financial Condition and Results of Operations Controlling Shareholder beginning on page 190 and Risk Factors Relating to IES Business and Operations Availability of net operating losses may be reduced by a change in ownership on page 39.

Preferred Stock Purchase Rights (see page 128)

On January 24, 2013, the IES board of directors declared a dividend of one preferred share purchase right for each outstanding share of IES common stock. The dividend was payable to the stockholders of record as of the close of business on February 19, 2013. Each preferred share purchase right represents a right to purchase one one-thousandth of a share of Series A Junior Participating Preferred Stock, par value \$0.01 per share, of IES at a price of \$20.00. Each share of IES common stock issued as Stock Consideration in the merger will include one preferred share purchase right.

Treatment of MISCOR Stock Options and Other Equity Awards (see page 143)

The treatment of stock options and restricted share awards outstanding under the MISCOR stock plans is discussed under the heading The Merger Agreement Treatment of MISCOR Stock Options and Other Equity Awards beginning on page 143.

Recommendation of the IES Board of Directors (see page 67)

The IES board of directors, based on the recommendation of the disinterested members of the IES board of directors, (1) has determined that the merger agreement and the transactions contemplated by the merger agreement, including the issuance of shares of IES common stock in the merger, are advisable and in the best interests of IES and its stockholders, (2) has approved the merger and the merger agreement and (3) recommends that the stockholders of IES approve the issuance of shares of IES common stock in the merger. No stockholder vote is required for Merger Sub to adopt the merger agreement and consummate the transactions contemplated by the merger agreement, other than the vote of IES acting as the sole stockholder of Merger Sub.

The IES board of directors recommends that IES stockholders vote **FOR** the issuance of shares of IES common stock in the merger and **FOR** the adjournment or postponement of the IES Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies. In considering the recommendation of the IES board of directors, you should be aware that certain directors of IES have personal interests that may motivate them to support the merger.

Recommendation of the MISCOR Board of Directors (see page 62)

The special committee of the MISCOR board of directors (the Special Committee) and the MISCOR board of directors, (1) have determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of MISCOR and its shareholders, as well as its stakeholders, in accordance with the requirements of Indiana law, (2) have approved the merger agreement, the merger and the other transactions contemplated thereby, (3) have directed that the merger agreement be submitted for adoption by the MISCOR shareholders at the MISCOR Meeting and (4) hereby recommend that the MISCOR shareholders adopt the merger agreement.

The MISCOR board of directors hereby recommends that MISCOR shareholders vote **FOR** the adoption of the merger agreement, **FOR** the approval of the merger-related named executive officer compensation proposal and **FOR** the adjournment or postponement of the MISCOR Meeting to a later date or dates, if necessary or appropriate,

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to solicit additional proxies. In considering the recommendation of the MISCOR board of directors, you should be aware that certain directors and executive officers of MISCOR have interests in the transactions contemplated by the merger agreement that may be different from, or in addition to, the interests of MISCOR shareholders generally.

Opinions of Financial Advisers (see pages 74 and 83)

Opinion of IES Financial Adviser

In connection with the merger, IES financial advisor, Stifel, Nicolaus & Company, Incorporated (Stifel) delivered a written opinion, dated March 11, 2013, to the IES board of directors as to the fairness, as of such date, from a financial point of view, to IES, of the merger consideration to be paid by IES to holders of MISCOR common stock in the merger pursuant to the merger agreement. The full text of Stifel s written opinion, dated March 11, 2013, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as Annex B to this joint proxy statement/prospectus. Stifel received a fee of \$250,000 upon the delivery of its opinion that is not contingent upon consummation of the merger. IES has also agreed to reimburse Stifel for certain of its expenses incurred in connection with Stifel s engagement. Stifel will not receive any payment or compensation contingent upon the successful consummation of the merger. **Stifel s opinion was provided for the information of, and directed to, the IES board of directors for its information and assistance in connection with its consideration of the financial terms of the merger. Stifel s opinion does not constitute a recommendation to the IES board of directors as to how the board of directors should vote on the merger or to any holder of IES or MISCOR common stock as to how any such holder should vote at any stockholders meeting at which the merger is considered, or whether or not any stockholder of IES should enter into a voting, stockholders , or affiliates agreement with respect to the merger, or exercise any dissenters or appraisal rights that may be available to such stockholder or whether or to what extent a shareholder of MISCOR should elect to receive Cash Consideration or Stock Consideration. In addition, Stifel s opinion does not compare the relative merits of the merger with any other alternative transactions or business strategies which may have been available to IES and does not address the underlying business decision of the IES board of directors or IES to proceed with or effect the merger. Stifel was not requested to, and did not, explore alternatives to the merger or solicit the interest of any other parties in pursuing transactions with IES.**

Opinion of MISCOR s Financial Adviser

In connection with the merger, MISCOR s financial adviser, Western Reserve Partners LLC (Western Reserve) delivered a written opinion dated March 13, 2013, to the MISCOR board of directors as to the fairness to MISCOR shareholders other than IES and its affiliates (including Tontine), from a financial point of view and as of the date of the opinion, of the Minimum Cash Consideration to be paid by IES to such stockholders in the merger of \$1.415 per share assuming that all of MISCOR s shareholders elect to receive Cash Consideration.

The full text of Western Reserve s written opinion, dated March 13, 2013, is attached as Annex C to this joint proxy statement/prospectus. Holders of MISCOR common stock are encouraged to read the opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the scope of the review undertaken. Western Reserve received an aggregate fee of \$221,496.50 for its services in connection with the proposed merger, a portion of which was paid throughout Western Reserve s engagement as a retainer, and a portion of which was payable upon the rendering of its opinion. MISCOR has also agreed to reimburse Western Reserve for certain of its expenses incurred in connection with Western Reserve s engagement. Western Reserve will not receive any payment or compensation contingent upon the successful consummation of the merger. **Western Reserve s opinion was provided to the MISCOR board of directors in connection with its evaluation of the consideration to be paid by IES to the holders of MISCOR common shares in the merger, does not address any other aspect of the proposed merger and does not constitute a recommendation to any holder of MISCOR common stock as to how the shareholder should vote or act on any matter relating to the merger.**

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Western Reserve's opinion does not address the fairness to MISCOR shareholders of the Stock Consideration or a mix of Cash Consideration and Stock Consideration.

MISCOR Request for Opinion on Minimum Cash Consideration

Prior to the MISCOR board of directors voting on the transaction, MISCOR sought an opinion from Western Reserve. Western Reserve offered its opinion as to the fairness to MISCOR shareholders (other than IES and its affiliates) of the Minimum Cash Consideration, because MISCOR and Western Reserve understood that:

When the transaction was structured, it was expected that MISCOR's unaffiliated shareholders would elect to receive predominantly Cash Consideration. While MISCOR shareholders are offered the option of stock or cash and certain MISCOR shareholders are expected to elect to receive Stock Consideration, the MISCOR board of directors also felt that many MISCOR shareholders would elect Cash Consideration. The opinion was limited to MISCOR shareholders other than IES and its affiliates, including Tontine. These MISCOR shareholders represent an amount of MISCOR common stock that, if exchanged for cash, would not exceed the Maximum Cash Amount because Tontine and Mr. Martell are expected in the aggregate to elect to receive Stock Consideration for between approximately 54% to 62% of the outstanding MISCOR common stock.

As a result of the non-binding election indications from Tontine and Mr. Martell, described under Impact of Maximum Cash Amount beginning on page 14, MISCOR and Western Reserve expected that any MISCOR shareholder who chose to receive Cash Consideration could expect to receive it. Furthermore, the non-binding indications from Tontine and Mr. Martell were consistent with the expectations of both MISCOR and Western Reserve that investment funds, such as Tontine, would elect to receive Stock Consideration, desiring to avoid gains and remain invested, while large shareholders, like Mr. Martell, would prefer to divest over a period of time when liquid shares are available.

While the VWAP Collar was intended to reduce uncertainty as to the value of Stock Consideration, it was believed by the MISCOR board of directors that MISCOR shareholders desiring certainty would elect to receive Cash Consideration. MISCOR believed, based in part on discussions held in the summer of 2012 between the MISCOR board of directors and Western Reserve in connection with earlier negotiations with IES, that the VWAP Collar at 20% above and below the then-current trading price of IES common stock was reasonable from the perspective of industry standards. MISCOR was also advised by its legal advisor, Tuesley Hall & Konopa, that the VWAP Collar was reasonable for the size and confines of the transaction.

On July 10, 2013, IES, MISCOR and Merger Sub amended the merger agreement so as to reduce uncertainty as to the minimum consideration to be received by MISCOR shareholders who do not make a valid election with respect to all or any portion of their shares of MISCOR common stock. Pursuant to the amendment, any MISCOR shareholder that does not make a valid election will be deemed to have elected to receive, and will be paid, Stock Consideration; *provided, however*, that if the IES Common Stock Value is less than \$4.024, then such shareholder will be deemed to have elected to receive, and will be paid, subject to the Maximum Cash Amount, Cash Consideration.

Ownership of IES After the Merger

If the Merger Consideration Determination Date had occurred on July 24, 2013, current IES stockholders would own in the aggregate approximately 94.8% of the combined corporation (including the shares of IES common stock to be issued to Tontine in the merger), based on the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, which assumptions will not be definitively determined until the Merger Consideration Determination Date, and assuming 15,105,846 shares of IES common stock outstanding immediately prior to the effective time of the merger. This amount may vary

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depending on the actual number of shares of MISCOR common stock outstanding at the effective time of the merger, the actual Exchange Ratio, and the number of MISCOR shareholders who elect to receive Stock Consideration in the merger. Consequently, IES stockholders, as a general matter, will have less influence over the management and policies of IES than they currently exercise over the management and policies of IES. See Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2 for further discussion of these assumptions and a sensitivity analysis related to the potential consideration that may be received by MISCOR shareholders.

Share Ownership of Directors and Executive Officers of IES

As of the close of business on July 24, 2013, the latest practicable date prior to the record date, the directors and executive officers of IES and their affiliates beneficially owned and were entitled to vote approximately 406,916 shares of IES common stock, collectively representing approximately 2.69% of the shares of IES common stock outstanding and entitled to vote on that date. The issuance of shares of IES common stock in the merger must be approved by the affirmative vote of the holders of a majority of the votes cast at the IES Meeting, including the votes cast by the directors and officers of IES and their affiliates. The shares of IES common stock owned by the directors and executive officers of IES will also be considered in determining satisfaction of the IES Minority Approval condition.

Share Ownership of Directors and Executive Officers of MISCOR

As of the close of business on July 24, 2013, the latest practicable date prior to the record date, the directors and executive officers of MISCOR and their affiliates beneficially owned and were entitled to vote approximately 2,764,800 shares of MISCOR common stock (excluding the 67,000 outstanding options held by MISCOR's directors and executive officers), collectively representing approximately 23.7% of the MISCOR common stock outstanding and entitled to vote on that date. The adoption of the merger agreement must be approved by the affirmative vote of the holders of a majority of the outstanding MISCOR common stock entitled to vote as of the record date, including the votes cast by the directors and officers of MISCOR and their affiliates. The MISCOR common stock owned by the directors and executive officers of MISCOR, other than Mr. Martell, will also be considered in determining satisfaction of the MISCOR Minority Approval condition.

Interests of Directors, Executive Officers and Affiliates of MISCOR in the Merger (see page 92)

In considering the recommendation of the MISCOR board of directors with respect to the merger agreement, MISCOR shareholders should be aware that certain members of the MISCOR board of directors and certain of MISCOR's executive officers have interests in the transactions contemplated by the merger agreement that may be different from, or in addition to, the interests of MISCOR shareholders generally. These interests may include, among other things, the following:

the accelerated vesting of, and payment of the merger consideration with respect to, shares of MISCOR restricted stock and stock options held by MISCOR's executive officers and certain directors;

arrangements that all current and former MISCOR directors and officers will be indemnified by IES with respect to acts or omissions by them in their capacities as directors and officers of MISCOR prior to the effective time of the merger;

the expected employment of all members of MISCOR management team, including the executive officers of MISCOR, by the surviving corporation after the merger;

the assumption of Mr. Moore's employment agreement by the surviving corporation, pursuant to the terms of the merger agreement; and

as of March 12, 2013, Mr. Martell held approximately 23.4% of the outstanding shares of MISCOR common stock. Mr. Martell's holdings were obtained in transactions exempt from registration from the Securities Act and are not subject to registration rights.

Accordingly, the merger consideration, in the

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form of Stock Consideration and/or Cash Consideration, presents a liquidity event of particular value to Mr. Martell. For this reason, Mr. Martell chose to abstain from the MISCOR board of director's vote on the merger. MISCOR's other directors and the MISCOR officers may also gain value from receiving merger consideration and the liquidity event it presents.

It is anticipated, based on current discussions between the companies, that all members of MISCOR's management team, including the executive officers of MISCOR, will continue with the surviving corporation following completion of the merger. While IES has not entered, and does not anticipate entering, into new employment agreements with any of MISCOR's executive officers, the surviving corporation will assume Mr. Moore's employment agreement following completion of the merger. After the merger, MISCOR's then-existing management team will be employed by the surviving corporation, which will be a wholly-owned subsidiary of IES. It is anticipated that Michael Moore and Marc Valentin, each of whom currently serves as an executive officer of MISCOR, will also serve as executive officers of Merger Sub, which we refer to as the surviving corporation, following completion of the merger.

The MISCOR board of directors was aware of these interests and considered them, among other matters, in making its recommendation. See Special Factors Recommendation of the MISCOR Board of Directors and Its Reasons for the Merger, beginning on page 62.

The table below presents information regarding the maximum estimated value of total merger consideration that each director, executive officer and affiliate of MISCOR will receive as a result of the merger, based on the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, including the assumptions that Mr. Martell will elect Stock Consideration for 1,000,000 shares of his MISCOR common stock (the mid-point of his non-binding indication), Tontine will elect 100% Stock Consideration, and the directors and executive officers of MISCOR (other than Mr. Martell) will elect 50% Cash Consideration and 50% Stock Consideration. The table below assumes that the Merger Consideration Determination Date occurred on July 24, 2013. The actual value of the consideration and the number of shares of IES common stock to be issued may differ from this example, given that these amounts will not be determined until the Merger Consideration Determination Date has passed and MISCOR shareholders have made their elections. For additional information, please see Special Factors Interests of Directors and Executive Officers of MISCOR in the Merger Restricted Stock and Stock Options beginning on page 92.

	Restricted Stock Awards Merger Consideration			Stock Option Awards Merger Consideration			Common Stock Merger Consideration			
	Unvested Shares	Cash	Estimated Value of Shares of IES Common Stock	Unvested Shares	Cash	Estimated Value of Shares of IES Common Stock	Shares Owned	Cash	Estimated Value of Shares of IES Common Stock	Maximum Estimated Value of Total Merger Consideration
<i>Directors:</i>										
John A. Martell		\$ 0	\$ 0		\$ 0	\$ 0	2,738,800	\$ 2,567,355	\$ 1,476,510	\$ 4,043,865
Michael P. Moore	13,000	\$ 9,597	\$ 9,597	60,000	\$ 44,295	\$ 44,295		\$ 0	\$ 0	\$ 107,785
William Schmuhl, Jr.		\$ 0	\$ 0		\$ 0	\$ 0	10,000	\$ 7,383	\$ 7,383	\$ 14,765
Michael Topa		\$ 0	\$ 0		\$ 0	\$ 0		\$ 0	\$ 0	\$ 0
<i>Executive Officers:</i>										
Marc Valentin	3,000	\$ 2,215	\$ 2,215	7,000	\$ 5,168	\$ 5,168		\$ 0	\$ 0	\$ 14,765
Directors & Executive Officers	16,000	\$ 11,812	\$ 11,812	67,000	\$ 49,463	\$ 49,463	2,748,800	\$ 2,574,738	\$ 1,483,893	\$ 4,181,180
<i>Beneficial Owners</i>										
Jeffrey L. Gendell/Tontine		\$ 0	\$ 0		\$ 0	\$ 0	5,833,332	\$ 0	\$ 8,612,972	\$ 8,612,972
Directors, Executive Officers & Beneficial Owners	16,000	\$ 11,812	\$ 11,812	67,000	\$ 49,463	\$ 49,463	8,582,132	\$ 2,574,738	\$ 10,096,865	\$ 12,794,152

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If the Merger Consideration Determination Date had occurred on July 24, 2013, MISCOR's directors and executive officers would own in the aggregate approximately 5.9% of the shares of IES common stock outstanding after the merger and Tontine and MISCOR's directors and executive officers would together own in the aggregate approximately 64.0% of the shares of IES common stock outstanding after the merger (including the shares of IES common stock owned by Tontine prior to the merger), in each case, based on the assumptions described above and assuming 15,105,846 shares of IES common stock outstanding immediately prior to the effective time of the merger. The transaction is not expected to result in Mr. Martell becoming a 5% beneficial owner of IES.

Interests of Tontine in IES and MISCOR (see pages 96 and 97)

Share Ownership

As of July 24, 2013, Tontine owned approximately 49.9% of MISCOR's outstanding common shares and approximately 56.7% of the outstanding shares of IES common stock.

Board and Management Representation

MISCOR Board Representation. MISCOR has granted Tontine the right to appoint members to the MISCOR board of directors as follows:

if Tontine or its affiliates hold at least 10% of MISCOR's outstanding common shares, Tontine has the right to appoint one member of the MISCOR board of directors;

if Tontine or its affiliates hold at least 20% of MISCOR's outstanding common shares, and the MISCOR board of directors consists of five or fewer directors, Tontine has the right to appoint one member of the MISCOR board of directors; and

if Tontine or its affiliates hold at least 20% of MISCOR's outstanding common shares, and the MISCOR board of directors consists of six or more directors, Tontine has the right to appoint two members of the MISCOR board of directors.

The MISCOR board of directors currently consists of four directors. MISCOR has also agreed that, for as long as Tontine has the right to appoint directors, the number of directors on the MISCOR board of directors will not exceed seven. Tontine has not appointed a director to the MISCOR board of directors.

In addition to Tontine's right to appoint directors, MISCOR also granted Tontine the right to have a representative attend all meetings of the MISCOR board of directors, the boards of directors of MISCOR's subsidiaries and their respective committees, for so long as Tontine or its affiliates continue to hold at least 10% of MISCOR's outstanding common shares. Mr. Lindstrom periodically attended the MISCOR board meetings as a representative of Tontine, while he was employed at Tontine; however, neither Mr. Lindstrom nor any representative of Tontine has attended a MISCOR board meeting since August 10, 2011.

Mr. Martell has granted Tontine an irrevocable proxy to vote his shares of MISCOR common stock for the election to the MISCOR board of directors of Tontine's designees.

IES Board Representation. David B. Gendell, who is the brother of Jeffrey Gendell (the founder and managing member of Tontine) and an employee of Tontine Associates, L.L.C., has served as a member of the IES board of directors since February 2012. Mr. Gendell was not appointed to the IES board of directors pursuant to or in connection with any agreement or understanding between IES and Tontine.

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Interests of Tontine Following Completion of the Merger

Following completion of the merger, Tontine is expected to own an estimated 58.0% of the outstanding shares of IES common stock, based on the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2.

In connection with the merger, Tontine will not receive any rights with respect to representation on the IES board of directors or within IES management. Following completion of the merger, each of MISCOR's executive officers and directors will resign as directors and officers of MISCOR, pursuant to the terms of the merger agreement, and Tontine's right to appoint members to the MISCOR board of directors and its board observer rights with respect to meetings of the MISCOR board of directors will terminate.

Listing of Shares of IES Common Stock; Removal and Deregistration of Shares of MISCOR Common Stock (see page 101)

IES will use its reasonable best efforts to notify the NASDAQ of the shares of IES common stock to be issued in the merger prior to the effective time of the merger in accordance with the NASDAQ listing rules. Under the merger agreement, MISCOR is required to cooperate with IES with respect to such notice to facilitate providing notification as required pursuant to NASDAQ rules. Approval of the listing on the NASDAQ of the shares of IES common stock to be issued in the merger is not required pursuant to the NASDAQ listing rules and therefore is not a condition to each party's obligation to complete the merger. If the merger is completed, the MISCOR common stock will be removed from OTCQB and deregistered under the Exchange Act.

Appraisal Rights in the Merger (see page 154)

MISCOR shareholders who wish to seek appraisal of their shares are urged to seek the advice of counsel with respect to the availability of dissenters' rights.

A MISCOR shareholder who delivers to MISCOR, before the shareholders vote is taken at the MISCOR Meeting, written notice of the shareholder's intent to demand payment in cash for shares owned if the merger is effectuated and does not vote the shareholder's shares in favor of the merger will not receive the merger consideration. The shareholder will instead be entitled to assert dissenters' rights and seek an appraisal of its shares, unless the shareholder fails to take the steps prescribed by Chapter 44 of the IBCL to perfect such shareholder's dissenters' rights. Upon consummation of the merger and receipt of a payment demand, former MISCOR shareholders who have complied with all statutory requirements will be paid the fair value of the shares as of the time immediately before the merger. The full text of Chapter 44 of the IBCL is attached as Annex D to this joint proxy statement/prospectus.

Holders of IES common stock will not have the right to seek appraisal of the fair value of their shares of IES common stock.

Conditions to the Completion of the Merger (see page 144)

A number of conditions must be satisfied or waived, where legally permissible, before the proposed merger can be consummated. These include, among others:

IES receiving stockholder approval of the issuance of shares of IES common stock in the merger;

MISCOR receiving stockholder approval of adoption of the merger agreement;

the holders of fifty percent (50%) or more of all of the issued and outstanding shares of IES common stock entitled to vote (excluding shares held by certain affiliates of IES and MISCOR), shall not have voted against IES' proposal to issue shares of IES common stock in the merger (the IES Minority Approval);

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the holders of fifty percent (50%) or more of all of the issued and outstanding shares of MISCOR common stock entitled to vote (excluding shares held by certain affiliates of IES and MISCOR), shall not have voted against MISCOR's proposal to adopt the merger agreement (the "MISCOR Minority Approval");

the registration statement of which this joint proxy statement/prospectus forms a part being declared effective by the SEC;

the absence of any statute, order or injunction prohibiting the merger;

IES filing the listing of additional shares notification with NASDAQ with respect to the IES common stock to be issued to MISCOR shareholders in the merger;

no Person (other than Tontine) becoming, in the reasonable determination of the IES board of directors, an Acquiring Person (as defined in the Rights Agreement) as a result of the merger;

receiving all other required regulatory approvals, other than approvals the absence of which would not have a material adverse effect;

the number of Dissenting Shares not exceeding 5% of the outstanding shares of MISCOR common stock immediately prior to the effective time of the merger;

receipt of a legal opinion by MISCOR regarding the tax treatment of the merger;

receiving all other required regulatory approvals, other than approvals the absence of which would not have a material adverse effect; and

agreement among the parties on the calculation of MISCOR's Net Debt. While IES and MISCOR have previously agreed on the methodology that will be used to calculate Net Debt, they may, nonetheless, reach differing conclusions as to the inputs to be used in the calculation. It is anticipated, however, that using a 30-day measurement period to calculate Net Debt will help to moderate the impact of any such differences.

Neither IES nor MISCOR can assure you when or if all or any of the conditions to the merger will be either satisfied or waived or whether the merger will occur as intended.

Pursuant to the terms of the merger agreement, each of IES and MISCOR may waive in writing in whole or in part any or all of such party's conditions to completion of the merger, provided that those requirements that are a condition to both IES and MISCOR's completion of the merger, including the IES Minority Approval and MISCOR Minority Approval, must be waived in writing by both parties. In the event that either the IES Minority Approval or the MISCOR Minority Approval is not received, IES and MISCOR may determine, based on the facts as they then exist, that waiver of such conditions is in the best interest of IES, MISCOR and their respective stockholders. Neither IES nor MISCOR intends to re-solicit stockholder approval in the event that either party waives a material condition to completion of the merger, except as may be required by the merger agreement with respect to MISCOR's receipt of an opinion of its tax counsel, as described under "Material U.S. Federal Income Tax Consequences of the Merger" Material U.S. Federal Income Tax Consequences of the Merger to MISCOR Shareholders beginning on page 134. As of July 24, 2013, neither IES nor MISCOR anticipated waiving any condition to its obligation to complete the merger.

No Solicitation (see page 147)

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The merger agreement prohibits MISCOR from soliciting alternative transactions other than during the limited period that began on the date of the merger agreement and ended at 12:01 a.m. (EST) on April 13, 2013 (the Solicitation Period). Following the Solicitation Period, MISCOR is not permitted to:

solicit, initiate, encourage or facilitate any inquiries, offers or proposals that constitute, or are reasonably likely to lead to, another acquisition proposal;

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engage in discussions or negotiations with, or furnish or disclose any non-public information or data relating to itself or any of its subsidiaries to, any person that has made or may be considering making another acquisition proposal;

approve, endorse or recommend another acquisition proposal; or

enter into any agreement in principle, letter of intent, arrangement, understanding or other contract relating to another acquisition proposal.

Notwithstanding the foregoing, and subject to certain additional limitations and conditions, before receipt of the requisite approval by its stockholders, MISCOR may engage in negotiations with a third party making an unsolicited, bona fide, written acquisition proposal, provided that:

the MISCOR board of directors concludes in good faith that such proposal is, or is reasonably likely to lead to, a superior proposal and that the failure to take such action is reasonably likely to be inconsistent with its fiduciary duties;

MISCOR provides IES written notice of such alternative proposal within 24 hours of receipt thereof, which notice shall include the identity of the person or entity making the proposal and any material terms and conditions thereof;

MISCOR enters into a confidentiality agreement with such person, with terms that are no more favorable to such person than those contained in IES confidentiality agreement with MISCOR; and

MISCOR promptly provides IES with a copy of the confidentiality agreement and copies of any non-public information disclosed to such person (and not previously disclosed to IES).

In addition, subject to certain additional limitations and conditions, before receipt of the requisite approval by its stockholders, the board of directors of MISCOR may withdraw its recommendation or declaration of advisability of the merger agreement if the board of directors determines in good faith that a failure to change its recommendation is reasonably likely to be inconsistent with its fiduciary duties to the MISCOR shareholders, subject to payment of the termination fees set forth in the merger agreement.

Termination of the Merger Agreement (see page 151)

The merger agreement may be terminated and the merger may be abandoned at any time prior to the effective time of the merger by mutual written consent of IES and MISCOR. The merger agreement may be terminated by written notice at any time prior to the effective time of the merger in any of the following ways:

by either IES or MISCOR (provided the terminating party is not the cause of the failure or action described) if:

the merger is not completed by October 31, 2013, unless extended pursuant to the merger agreement (the Termination Date);

any governmental authority has issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the consummation of the merger or making the consummation of the merger illegal and such order, decree, ruling or other action will have become final and nonappealable;

the IES stockholders fail to approve the issuance shares of IES common stock in the merger or the MISCOR shareholders fail to adopt the merger agreement;

IES or MISCOR fails to receive IES Minority Approval or MISCOR Minority Approval, respectively;

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by IES if:

MISCOR has materially breached any of its representations and warranties or has failed to comply in any material respects with any of its covenants or other agreements, which breach or failure is incapable of being cured by the Termination Date, or has not been cured within 20 days following receipt of written notice thereof (the Cure Period) from IES;

MISCOR has breached its no-solicitation covenant in any material respect, the MISCOR board of directors (or any committee thereof) has withdrawn or changed adversely its recommendation of the merger, MISCOR or its subsidiaries has entered into another acquisition agreement or MISCOR has publicly announced its intention to take any of the foregoing actions; or

there has been a material adverse effect with respect to MISCOR that is incapable of being cured by the Termination Date or within the Cure Period.

by MISCOR if:

IES or Merger Sub has materially breached any of their representations and warranties or failed to comply in any material respect with any of its covenants or other agreements, which breach or failure is incapable of being cured by the Termination Date or within the Cure Period;

prior to the adoption of the merger agreement by the MISCOR shareholders, MISCOR receives a superior proposal and the MISCOR board of directors withdraws or changes adversely its recommendation of the merger or MISCOR or its subsidiaries enter into another acquisition agreement, provided that MISCOR complies in all material respects with the provisions of the merger agreement applying to dealing with the superior proposal; or

there has been a material adverse effect with respect to IES that is incapable of being cured by the Termination Date or within the Cure Period.

See The Merger Agreement Termination of the Merger Agreement and Termination Fees, beginning on page .

Termination Fees and Expenses (see page 152)

In the event of a termination of the merger agreement under the following circumstances, MISCOR will be required to pay IES a termination fee in the amount of \$250,000:

either IES or MISCOR terminates the merger agreement due to:

the failure of the MISCOR shareholders to adopt the merger agreement;

the failure of IES to receive IES Minority Approval;

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the failure of MISCOR to receive MISCOR Minority Approval;

the MISCOR board of directors withdrawing or changing adversely its recommendation of the merger or MISCOR or any of its subsidiaries entering into another acquisition agreement; or

the failure of the merger to be completed by the Termination Date; or

IES terminates the merger agreement due to:

MISCOR's failure to timely cure or inability to cure a material breach of any of its representations and warranties;

MISCOR's failure to timely cure or inability to cure its failure to comply in any material respect with any of its covenants or other agreements; or

MISCOR's breach of its no-solicitation covenant in any material respect.

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If, within 365 days of a termination of the merger agreement as a result of MISCOR's failure to receive shareholder approval of the merger or MISCOR Minority Approval, MISCOR consummates an alternative transaction with any person or entity that submitted an alternative transaction prior to termination of the merger agreement (regardless of whether such alternative transaction was the basis for termination of the merger agreement), MISCOR will be required to pay IES an additional fee of \$500,000 (which will result in a combined termination fee of \$750,000).

In the event of a termination of the merger agreement as a result of the failure of the IES stockholders to approve the issuance of shares of IES common stock in the merger or the failure of IES to receive the IES Minority Approval, IES will be required to reimburse MISCOR for its out-of-pocket and documented expenses incurred in connection with the merger in an amount not to exceed \$250,000.

Material U.S. Federal Income Tax Consequences (see page 134)

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code (the Code) for U.S. federal income tax purposes, and the closing is conditioned upon the receipt by MISCOR of an opinion from Ulmer & Berne LLP, counsel to MISCOR, to the effect that the merger so qualifies. This discussion of U.S. federal income tax consequences assumes that the merger will be consummated as described in the merger agreement and this joint proxy statement/prospectus. In the opinion of Ulmer & Berne LLP, the merger will be treated for U.S. federal income tax purposes as a reorganization qualifying under the provisions of Section 368(a) of the Code. If the merger qualifies as such a reorganization, the material U.S. federal income tax consequences of the merger to U.S. holders of MISCOR common stock will be as follows:

If you exchange all of your shares of MISCOR common stock for cash in the merger, you generally will recognize capital gain or loss equal to the difference between the amount of cash received with respect to your MISCOR common stock and your tax basis in the stock surrendered.

If you exchange all of your shares of MISCOR common stock for shares of IES common stock in the merger, you will not recognize any gain or loss with respect to your MISCOR common stock, except to the extent of any cash you may receive in lieu of fractional shares of IES common stock.

If you exchange your shares of MISCOR common stock for a combination of cash and IES common stock in the merger, you generally will recognize gain (but not loss) with respect to your MISCOR common stock. The gain you recognize generally will equal the lesser of (1) the excess of the sum of the cash and the fair market value of the shares of IES common stock received with respect to your MISCOR common stock over your tax basis in the shares surrendered, and (2) the amount of cash received with respect to your MISCOR common stock.

For further information, please refer to Material U.S. Federal Income Tax Consequences of the Merger. The United States federal income tax consequences described above may not apply to all holders of MISCOR common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

Accounting Treatment (see page 100)

In accordance with accounting principles generally accepted in the United States of America (GAAP), the merger will be accounted for as an acquisition of a business. IES will record net tangible and identifiable intangible assets acquired and liabilities assumed from MISCOR at their respective fair values at the date of the completion of the merger. Any excess of the purchase price, which will equal the market value at the date of the completion of the merger, of the IES common stock and cash issued as consideration for the merger over the net fair value of such assets and liabilities will be recorded as goodwill.

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The financial condition and results of operations of IES after completion of the merger will reflect MISCOR's balances and results after completion of the merger but will not be restated retroactively to reflect the historical financial condition or results of operations of MISCOR. The earnings of IES following the completion of the merger will reflect acquisition accounting adjustments, including the effect of changes in the carrying value for assets and liabilities on depreciation and amortization expense. Goodwill will not be amortized but will be tested for impairment at least annually, and all assets including goodwill will be tested for impairment when certain indicators are present. If, in the future, IES determines that tangible or intangible assets (including goodwill) are impaired, IES would record an impairment charge at that time.

Regulatory Approvals (see page 100)

As of the date of this joint proxy statement/prospectus, neither IES nor MISCOR is required to make filings or to obtain approvals or clearances from any antitrust regulatory authorities in the United States to consummate the merger. IES must comply with applicable federal and state securities laws in connection with the issuance of shares of IES common stock to MISCOR's shareholders.

Payment of Dividends (see page 110)

Neither IES nor MISCOR has ever paid a cash dividend on its common stock.

IES

IES does not anticipate paying cash dividends on its common stock in the foreseeable future. Any future determination as to the payment of dividends will be made at the discretion of the IES board of directors and will depend upon IES' operating results, financial condition, capital requirements, general business conditions and other factors that the IES board of directors deems relevant. IES is also restricted under its revolving credit facility from paying cash dividends.

On January 24, 2013, the IES board of directors declared a dividend of one preferred share purchase right for each outstanding share of IES common stock. The dividend was payable to the stockholders of record as of the close of business on February 19, 2013. Each preferred share purchase right represents a right to purchase one one-thousandth of a share of Series A Junior Participating Preferred Stock, par value \$0.01 per share, of IES at a price of \$20.00. Each share of IES common stock issued as Stock Consideration in the merger will include one preferred share purchase right.

MISCOR

The merger agreement generally provides that MISCOR may not declare, set aside or pay any dividend prior to the effective time of the merger or the termination of the merger agreement.

Financing of the Merger (see page 157)

IES' obligation to complete the merger is not conditioned upon its obtaining financing. In order to finance some or all of the cash component of the merger consideration, the repayment of outstanding MISCOR debt and the transaction expenses associated with the merger, IES expects to utilize its existing cash balances and incur incremental indebtedness of up to \$10.0 million under its revolving credit facility with Wells Fargo. See Financing of the Merger, beginning on page 157.

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Comparison of Rights of IES Stockholders and MISCOR Shareholders (see page 158)

IES is incorporated under the laws of the State of Delaware and the rights of the stockholders of IES are currently, and at the completion of the merger will continue to be, governed by the Delaware General Corporation Law (the "DGCL"). MISCOR is incorporated under the laws of the State of Indiana. Accordingly, the rights of the shareholders of MISCOR are currently governed by the IBCL; however, if the merger is completed, MISCOR shareholders will become stockholders of IES, and their rights will be governed by the DGCL, the certificate of incorporation of IES and the bylaws of IES. The rights of IES stockholders contained in the certificate of incorporation and bylaws of IES differ from the rights of MISCOR shareholders under the articles of incorporation and bylaws of MISCOR, as more fully described under the section entitled "Comparison of Rights of IES Stockholders and MISCOR Shareholders," beginning on page 158.

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RISK FACTORS

Before deciding how to vote, you should carefully consider the risks described below, in addition to the risks and uncertainties and all other information contained in this joint proxy statement/prospectus, including the matters addressed under Cautionary Statement Concerning Forward-Looking Statements, beginning on page 117. You should also consider the other information in this joint proxy statement/prospectus.

Risk Factors Relating to the Merger

The total consideration that IES will pay to MISCOR shareholders in the merger is based on numerous factors which are subject to fluctuation.

The Cash Consideration and Stock Consideration to be received by MISCOR shareholders in the merger, as described below, are based on numerous factors which are subject to fluctuation and will not be determined until the fifteenth business day prior to the closing date of the merger (the Merger Consideration Determination Date).

The total consideration that IES will pay to MISCOR shareholders in the merger is based on an agreed Transaction Value for MISCOR of approximately \$24 million, less MISCOR's Net Debt, which is referred to herein as the Adjusted Transaction Value. As of July 24, 2013, MISCOR's Net Debt (for the 30-day period ending on that date), was approximately \$5.994 million. However, circumstances could result in Net Debt increasing above or decreasing below its current levels, which would affect the total consideration paid to MISCOR shareholders in the merger, as both the Cash Consideration and the Stock Consideration are based, in part, on the Adjusted Transaction Value.

At the effective time of the merger, each outstanding share of MISCOR common stock (other than Dissenting Shares and shares to be canceled pursuant to the terms of the merger agreement) will be converted into the right to receive merger consideration comprised of, at the election of the holder, either: (1) Cash Consideration of not less than \$1.415 per share, equal to the quotient obtained by dividing (x) the difference between \$24.0 million and the amount of MISCOR's Net Debt and (y) the number of shares of MISCOR common stock outstanding as of the Merger Consideration Determination Date, including shares issuable upon the exercise of outstanding options and warrants; or (2) Stock Consideration equal to a fraction, the numerator of which is the Cash Consideration and the denominator of which is the IES Common Stock Value; *provided, however*, that if the IES Common Stock Value is less than \$4.024 per share or greater than \$6.036 per share (the VWAP Collar), then the IES Common Stock Value will be \$4.024 per share or \$6.036 per share, respectively. Pursuant to the merger agreement, MISCOR does not have a right to terminate the transaction if the market price of IES common stock falls to a value such that the per share consideration to be received by MISCOR shareholders electing to receive Stock Consideration could be valued at less than \$1.415, which is the minimum per share consideration to be received by MISCOR shareholders electing to receive Cash Consideration.

As of July 24, 2013, MISCOR had 11,684,987 shares of common stock issued and outstanding. Prior to the Merger Consideration Determination Date, the number of outstanding shares of MISCOR common stock is expected to increase to up to 11,775,066 shares, as the result of the exercise of 90,079 outstanding in-the-money warrants or option, which will adversely affect the total consideration paid to MISCOR shareholders in the merger, as (i) the Cash Consideration is based, part, on the number of shares of MISCOR common stock outstanding on the Merger Consideration Determination Date and (ii) the Stock Consideration is based, in part, on the amount of Cash Consideration.

The Exchange Ratio used to determine the number of shares of IES common stock into which each share of MISCOR common stock will be convertible will fluctuate due to fluctuations in the market value of IES common stock.

The number of shares of IES common stock into which each share of MISCOR common stock will be convertible at the effective time of the merger will be based on the Exchange Ratio, the denominator of which is the 60-day

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VWAP of IES common stock ending with the Merger Consideration Determination Date. As such, the number of shares of IES common stock constituting the Stock Consideration that MISCOR shareholders may elect to receive in the merger will depend, in part, on the market value of IES common stock. The market price per share of IES common stock and MISCOR common stock will fluctuate between the date of this prospectus and the completion of the merger. Therefore, MISCOR shareholders cannot be sure of the number of shares of IES common stock that they will receive. In addition, because the Exchange Ratio will be determined using a period that ends fifteen business days prior to the closing date of the merger, the number of shares of IES common stock to be issued will likely be different than it would be if the price on the closing date were to be used.

The estimated per share Cash Consideration and Stock Consideration are based on certain estimates, judgments and assumptions that may change or prove to be incorrect.

If the Merger Consideration Determination Date had occurred on July 24, 2013, it is estimated that each MISCOR shareholder would have the right to receive, subject to the terms of the merger agreement, at his or her election, either \$1.48 in cash or 0.311 shares of IES common stock for each share of MISCOR common stock issued and outstanding, subject to the Maximum Cash Amount, based on the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, which assumptions will not be definitively determined until the Merger Consideration Determination Date. The actual value of the consideration and the number of shares of IES common stock to be issued may differ from this example, given that these amounts will not be determined until the Merger Consideration Determination Date has passed and MISCOR shareholders have made their elections.

Because the calculations of per share Cash Consideration and Stock Consideration are based on multiple factors, such as the amount of MISCOR's Net Debt, the number of shares of MISCOR common stock outstanding, the IES Common Stock Value and application of the VWAP Collar, that, pursuant to the terms of the merger agreement, will not be definitively determined until the fifteenth business day prior to the closing date of the merger, certain assumptions with respect to these factors must be made in order to provide IES stockholders and MISCOR shareholders with estimates of the consideration to be received by MISCOR shareholders in the merger. These assumptions, which are described in detail in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, are based on management's best estimates and, as such, may change or prove to be incorrect. Actual amounts may vary from these estimates based on, among other factors, (i) the percentage of MISCOR common stock for which Cash Consideration is elected and the percentage of MISCOR common stock for which Stock Consideration is elected, (ii) the VWAP of IES common stock for the 60 consecutive trading days ending on the Merger Consideration Determination Date, (iii) the IES Common Stock Value falling outside of the VWAP Collar, (iv) the market price of IES common stock on the closing date, and (v) fluctuations in MISCOR's Net Debt prior to the Merger Consideration Determination Date. If any of the estimates or assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements prove to be materially incorrect, the per share Cash Consideration and Stock Consideration to be received by MISCOR shareholders in connection with the merger could vary materially from the estimates of such consideration set forth herein.

MISCOR shareholders electing to receive Cash Consideration may, as a result of the cap on the aggregate Cash Consideration to be received by MISCOR shareholders pursuant to the merger agreement, receive a form or combination of consideration different from the form they elect.

While each MISCOR shareholder may elect to receive consideration consisting of all Cash Consideration, all Stock Consideration, or a mix of Cash Consideration and Stock Consideration, the aggregate Cash Consideration to be received by MISCOR shareholders pursuant to the merger agreement shall not exceed a threshold, as described in the merger agreement (the Maximum Cash Amount), which is an amount equal to the product obtained by multiplying (x) the Cash Consideration by (y) 50% of the number of shares of MISCOR common stock outstanding immediately prior to the effective time of the merger. Accordingly, if the aggregate amount of cash that would be paid upon conversion of the shares of MISCOR common stock for which MISCOR

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shareholders elect to receive Cash Consideration, including, in the event that the IES Common Stock Value is less than \$4.024, all shares of MISCOR common stock for which a valid election was not made (collectively, the Cash Election Shares), is greater than the Maximum Cash Amount, then the exchange agent will select from among the Cash Election Shares, by a pro rata selection process, a sufficient number of shares (the Stock Designation Shares) such that the aggregate amount of cash that will be paid in the merger in respect of the Cash Election Shares that are not Stock Designation Shares equals as closely as practicable the Maximum Cash Amount, and the Stock Designation Shares shall be converted into the right to receive the Stock Consideration. As a result, MISCOR shareholders that make a valid election to receive all or a portion of their merger consideration in the form of Cash Consideration may not receive merger consideration entirely in the form elected.

If you are a MISCOR shareholder and you tender shares of MISCOR common stock to make an election, you will not be able to sell those shares unless you revoke your election prior to the election deadline.

If you are a MISCOR shareholder and want to elect to receive Cash Consideration, Stock Consideration, or a mix of Cash Consideration and Stock Consideration under the merger agreement, you must deliver your stock certificates (or follow the procedures for guaranteed delivery) and a properly completed and signed election form to the exchange agent. You will not be able to sell any shares of MISCOR common stock that you have delivered under this arrangement unless you revoke your election before the election deadline by providing written notice to the exchange agent. If you do not revoke your election, you will not be able to liquidate your investment in MISCOR common stock for any reason until you receive Cash Consideration and/or Stock Consideration pursuant to the merger agreement or until the merger agreement is terminated pursuant to its terms. In the time between delivery of your shares and the closing of the merger or termination of the merger agreement, the market prices of MISCOR common stock and IES common stock may increase or decrease, and you might otherwise want to sell your shares of MISCOR common stock to gain access to cash, make other investments, or reduce the potential for a decrease in the value of your investment.

The date that MISCOR shareholders will receive their merger consideration is uncertain.

The completion of the merger is subject to certain governmental approvals and the satisfaction or waiver of certain other conditions. While it is currently anticipated that the merger will be completed promptly following the meeting of IES stockholders to approve the issuance of shares of IES common stock (assuming such approval) and the meeting of MISCOR shareholders to approve and adopt the merger agreement (assuming such approval and adoption), the completion date might be later than expected due to delays in satisfying such conditions. Accordingly, we cannot provide MISCOR shareholders with a definitive date on which they will receive the merger consideration.

IES and MISCOR may waive any or all of the conditions to completion of the merger, including receipt of IES Minority Approval, receipt of MISCOR Minority Approval and MISCOR's receipt of the opinion of its tax counsel.

Pursuant to the terms of the merger agreement, each of IES and MISCOR may waive in writing in whole or in part any or all of such party's conditions to completion of the merger, provided that those requirements that are a condition to both IES and MISCOR's completion of the merger, including the IES Minority Approval and MISCOR Minority Approval, must be waived in writing by both parties. In the event that either IES Minority Approval or MISCOR Minority Approval is not received, IES and MISCOR may determine, based on the facts as they then exist, that waiver of such conditions is in the best interest of IES, MISCOR and their respective stockholders. However, neither IES nor MISCOR intends to re-solicit stockholder approval in the event that either party waives a material condition to completion of the merger, except as may be required by the merger agreement with respect to MISCOR's receipt of an opinion of its tax counsel, as described under Material U.S. Federal Income Tax Consequences of the Merger Material U.S. Federal Income Tax Consequences of the Merger to MISCOR Shareholders beginning on page 135. In the event that IES and/or MISCOR waive a material condition to completion of the merger, such as

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receipt of IES Minority Approval, receipt of MISCOR Minority Approval or MISCOR's receipt of the opinion of its tax counsel, IES stockholders and MISCOR shareholders will not be afforded all of the procedural protections contemplated by the merger agreement and discussed in this joint proxy statement/prospectus.

Any delay in completing the merger and integrating the businesses may reduce the benefits expected to be obtained from the merger.

The merger is subject to a number of conditions that are beyond the control of IES and MISCOR and that may prevent, delay, or otherwise materially adversely affect its completion. See Merger Agreement Conditions to Completion of the Merger. Neither IES nor MISCOR can predict whether or when the conditions to closing will be satisfied. Any delay in completing the merger and integrating the businesses may reduce the benefits that IES and MISCOR expect to achieve in the merger.

The merger may not be completed on a timely basis or at all. Failure to complete the merger could negatively impact the stock price and the future business and financial results of IES and MISCOR.

Neither IES nor MISCOR can assure you that the merger agreement will be adopted by the MISCOR shareholders, that the issuance of the shares of IES common stock will be approved by the IES stockholders, or that the other conditions to the completion of the merger will be satisfied. In addition, both IES and MISCOR have the right to terminate the merger agreement under certain conditions. If the merger is not completed, neither IES nor MISCOR will receive any of the expected benefits of the merger and will be subject to risks and/or liabilities, including the following:

failure to complete the merger might be followed by a decline in the market price of MISCOR common stock and/or IES common stock;

MISCOR will be required to pay IES termination fees that range from \$250,000 to \$750,000 if the merger agreement is terminated under certain conditions;

IES will be required to reimburse MISCOR for its out-of-pocket and documented expenses incurred in connection with the merger, in an amount not to exceed \$250,000, if the merger agreement is terminated under certain conditions;

certain costs relating to the merger (such as legal and accounting fees) will be payable by IES and by MISCOR regardless of whether the merger is completed; and

the proposed merger may disrupt the businesses of IES and MISCOR and distract their respective management and employees from day-to-day operations, because work related to the merger (including integration planning) requires substantial time and resources, which could otherwise have been devoted to other business opportunities for the benefit of the respective companies.

If the merger is not completed, these risks and liabilities may materially adversely affect IES and MISCOR's business, financial results, financial condition, and stock price.

In addition, there can be no assurance that IES will be successful in obtaining expected financing. Although financing is not a condition to closing of the merger, if IES were not able to obtain the expected financing, or not able to obtain the financing on commercially reasonable terms, it may not receive required third party consents to complete the merger or otherwise might not be able to complete the merger.

The rights of MISCOR shareholders who become IES stockholders in the merger will be governed by IES certificate of incorporation and bylaws.

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MISCOR shareholders who receive shares of IES common stock in the merger will become IES stockholders. As such, MISCOR shareholder rights will become subject to the Delaware General Corporation Law and they will be governed by IES certificate of incorporation and bylaws, rather than MISCOR's articles of incorporation and

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bylaws. As a result, there will be material differences between the current rights of MISCOR shareholders, as compared to the rights they will have as IES stockholders. For more information, see [Comparison of Rights of IES Stockholders and MISCOR Shareholders](#), beginning on page 158.

Some of the directors and executive officers of MISCOR may have personal interests that differ from those of MISCOR's shareholders and may motivate them to support or approve the merger.

Some of the directors of MISCOR who have recommended the merger to MISCOR shareholders and the executive officers of MISCOR who provided information to the MISCOR board of directors relating to the merger have employment, indemnification and/or severance benefit arrangements, rights to acceleration of restricted stock awards, and rights to ongoing indemnification and insurance that provide them with interests in the merger. Any of these arrangements or benefits may cause these individuals to have interests that may differ from those of the other MISCOR shareholders. The benefits that would result from the merger may have influenced these directors in approving the merger and these executive officers in supporting the merger.

If you are a MISCOR shareholder, you should consider these interests when you consider the recommendation of the MISCOR board of directors that you vote for the adoption of the merger agreement. As a result of these interests, these directors and executive officers may be more likely to support the merger than they would if they did not have these interests. For a discussion of the interests of directors and executive officers in the merger, see [Special Factors - Interests of Directors and Executive Officers of MISCOR in the Merger](#), beginning on page 92.

The merger agreement limits MISCOR's ability to pursue an alternative to the merger.

The merger agreement prohibits MISCOR from soliciting alternative transactions other than during the limited period that began on the date of the merger agreement and continued until 12:01 a.m. (EST) on the thirty-first day thereafter. See [The Merger Agreement - Conditions to the Completion of the Merger](#) on page 144. Additionally, pursuant to the terms of the merger agreement, before (i) the MISCOR board of directors changes its recommendation regarding the merger as a result of its receipt of an acquisition proposal, (ii) the MISCOR board of directors recommends an alternative transaction, or (iii) MISCOR enters into an alternative transaction, MISCOR must, among other things, allow IES a four-business day period to make a revised proposal. These provisions limit MISCOR's ability to pursue offers from third parties that could result in greater value to its shareholders.

MISCOR's obligation to pay a termination fee may also discourage a third party from pursuing an alternative transaction proposal. Under the merger agreement, MISCOR will be required to pay IES termination fees that range from \$250,000 to \$750,000 if the merger agreement is terminated under certain conditions. If a termination fee is payable, the payment of this fee could have material and adverse consequences on MISCOR's financial condition.

Risk Factors Relating to IES Following the Merger

IES may experience difficulties in integrating MISCOR's business and could fail to realize potential benefits of the merger.

Achieving the anticipated benefits of the merger will depend in part upon whether IES is able to integrate MISCOR's business in an efficient and effective manner. IES may not be able to accomplish this integration process smoothly or successfully. The difficulties of combining the two companies' businesses potentially will include, among other things:

geographically separated organizations and possible differences in corporate cultures and management philosophies;

significant demands on management resources, which may distract management's attention from day-to-day business;

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differences in the disclosure systems, compliance requirements, accounting systems, and accounting controls and procedures of the two companies, which may interfere with the ability of IES to make timely and accurate public disclosure; and

the demands of managing new locations, new personnel and new lines of business acquired from MISCOR in the merger. Any inability to realize the potential benefits of the merger, as well as any delays in integration, could have an adverse effect upon the revenues, level of expenses and operating results of the combined company, which may adversely affect the value of IES common stock following the merger.

Failure to retain key employees of MISCOR could adversely affect IES following the merger.

IES performance following the merger could be adversely affected if it is unable to retain certain key employees of MISCOR, which may adversely affect the value of IES common stock following the merger. The loss of the services of one or more of these key employees, including Michael P. Moore, Marc Valentin and James I. DePew, could adversely affect IES future operating results because of their experience and knowledge of the business of MISCOR. IES does not currently have any agreements with MISCOR's senior management regarding their continued employment following the merger.

IES and MISCOR will incur substantial costs in connection with the merger.

IES and MISCOR expect to incur a number of non-recurring transaction fees and other costs associated with completing the merger and combining the operations of the two companies, including legal and accounting fees and potential expenses related to shareholder litigation. Based on current estimates, it is anticipated that aggregate fees and expenses incurred or expected to be incurred by IES, MISCOR and Merger Sub in connection with the merger will total approximately \$2 million. Many of these fees and expenses will be incurred regardless of whether the merger is consummated. Additional unanticipated costs may also be incurred in the integration of the businesses of IES and MISCOR. If the total costs and indebtedness incurred in completing the merger exceed estimates, the financial results of the combined company may be materially adversely affected, which may adversely affect the value of IES common stock following the merger.

The issuance of shares of IES common stock to MISCOR shareholders in the merger will dilute the ownership interests of current IES stockholders.

After the merger, each IES stockholder will have the same number of shares of IES common stock that the stockholder held immediately prior to the merger. However, because IES will be issuing new shares of IES common stock to MISCOR shareholders in the merger, each share of IES common stock outstanding immediately prior to the merger will represent a smaller percentage of the aggregate number of shares of IES common stock outstanding after the merger, and current IES stockholders will own a significantly smaller percentage of the combined company than they currently own of IES. As a result, the relative percentage ownership interest of current IES stockholders with respect to earnings, voting, liquidation value, book value and market value will be reduced in proportion to the number of shares held by MISCOR shareholders who elect to receive Stock Consideration in the merger and could be further reduced based on the final determination of the Exchange Ratio used to calculate the amount of Stock Consideration to be received by such shareholders. If the merger fails to produce the results that IES and MISCOR anticipate, the acquisition may not be accretive to IES stockholders on a per share basis.

If the Merger Consideration Determination Date had occurred on July 24, 2013, current IES stockholders would own in the aggregate approximately 94.8% of the combined corporation (including the shares of IES common stock to be issued to Tontine in the merger), based on the assumptions described in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2, which assumptions will not be definitively determined until the Merger Consideration Determination, and assuming 15,105,846 shares of IES

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common stock outstanding immediately prior to the effective time of the merger. Consequently, IES stockholders, as a general matter, will have less influence over the management and policies of IES than they currently exercise over the management and policies of IES. See Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page F-2 for further discussion of these assumptions and a sensitivity analysis related to the potential consideration that may be received by MISCOR shareholders.